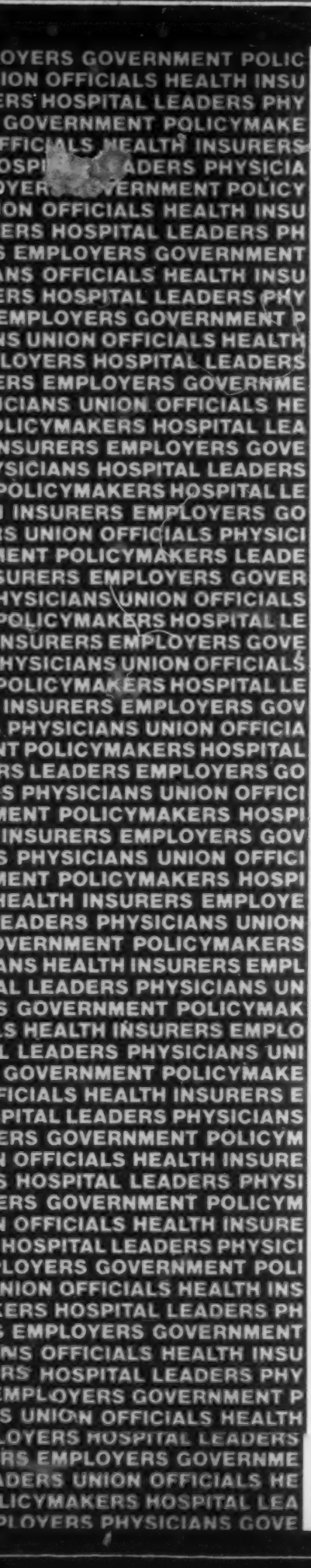

Trade-offs & Choices:

Health Policy Options for the 1990s

A National Opinion Research Survey of

Employers
Government Policymakers
Hospital Leaders
Physicians
Union Officials
Health Insurers

MetLife

Trade-offs & Choices:

Health Policy Options for the 1990s

A Survey Conducted for:
Metropolitan Life Insurance Company
by Louis Harris and Associates, Inc.

Fieldwork:
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INTRODUCTION

This survey examines the trade-offs and choices that may confront the key players in the American health care system. The survey is sponsored by the Metropolitan Life Insurance Company with the understanding that change in the American health care system is needed and likely. To build a fair, effective and more efficient system, most stakeholders will probably have to settle for less than they are insisting on today. U.S. Secretary of Health and Human Services Louis W. Sullivan, M.D., has stated "...we in government need to talk at length with the public about the nature of the problem and the choices it requires of us so that we as a nation can develop a sustainable consensus on what we want from our health-care system." This survey is designed, in part, to help people think about the extent of possible cooperation and accommodation, and to help define the avenues along which agreement is most likely to be reached.

This report begins with an exploration of areas of consensus and difference with regard to the nature and components of a changed health care system. The second section identifies the willingness of hospital CEOs, business executives, union leaders, physician leaders, and large health insurers to accept specific trade-offs which would directly affect them and the public. Respondents were asked to consider most trade-offs "as part of a total plan in which everyone made some concessions." The report concludes with an analysis of the preferred and anticipated roles and responsibilities of the different parties involved in a changing health care system.

The Context in Which the Questions Were Asked

Many of the trade-off questions were asked after a brief preamble which included the words "If it were part of a program where each group would make some concessions in order to reach a consensus, ..." The willingness of respondents to accept compromises as trade-offs must be interpreted in that context. Their willingness to accept a proposal does not necessarily mean they favor it.

Survey Method

This survey is based on interviews with 2,048 respondents selected as representative samples of nine groups who play an influential role as payors, regulators, administrators or providers in the American health care system. A total of *1,175 corporate executives* were interviewed, including 200 from companies with 10,000 or more employees, 200 with 1,000 to 9,999 employees, 250 with 100-999 employees, 250 with 26-99 employees, and 275 with 6-25 employees.

From the federal government, *260 legislators*, *25 key committee staff*, and *15 regulators* were interviewed, as were *50 state health care officials*. Also interviewed were *251 hospital CEOs*, *201 physician leaders*, *50 union leaders*, and *21 major health insurers*. Some of these samples were probability samples. Some were selective samples of key individuals in senior positions in important organizations. Some of the smaller samples are nearly censuses of the groups surveyed. All interviewing was done between September and November 1990. A detailed survey methodology is provided in Appendix A. The survey questionnaire appears in Appendix B.

A Note on Reading the Tables

An asterisk (*) on a table signifies a value of less than one-half percent (0.5%). A dash (-) represents a value of zero. Percentages may not always add to 100% because of computer rounding, multiple answers from respondents, or the elimination of "no answers" from particular tables.

The total corporate sample and total sample columns which appear on the tables are no more than the total responses given by all of the different respondents in the different groups sampled. As such they do not represent a specific population and are not projectable to any real universe. They are included in the tables only so that those reading the tables can see how any particular group differed from the other populations sampled, in general.

Many of the questions and tables distinguish between "totally" acceptable, or unacceptable, and "somewhat" acceptable or unacceptable. In the text, these categories are often combined. Readers are encouraged to study the tables and the differences between the "strongly" and the "somewhat" categories, as they are sometimes quite revealing.

Public Release of Survey Findings

All Louis Harris and Associates surveys are designed to adhere to the code of standards of the Council of American Survey Research Organizations (CASRO) and the code of the National Council of Public Polls (NCPP). Because data from this survey will be released to the public, any release must stipulate that the complete report is also available, rather than simply an excerpt from the survey findings.

Project Responsibility

The director of this project at Louis Harris and Associates was Robert Leitman, Senior Vice President. He worked under the overall supervision of Humphrey Taylor, President.

Louis Harris and Associates gratefully acknowledges the contributions of many individuals to this project. Our colleagues at MetLife, in particular, played a key role in the design and analysis of the data. However, responsibility for the survey questions, the findings, and their interpretation rests solely with Louis Harris and Associates.

EXECUTIVE SUMMARY

This survey of key health care leadership groups grew out of the understanding that change in the American health care system is needed and likely. To build a fair, effective and more efficient system, most stakeholders will probably have to settle for less than they are insisting on today.

This report identifies many areas of consensus among the leadership groups surveyed as well as points of contention. There may be disagreement on the meaning of the word consensus. It is used here to describe a situation in which substantial majorities of all the groups surveyed agree, or are willing to accept the same proposal. By identifying areas of consensus and contention, this survey helps define the avenues along which agreement is most likely to be reached. It also identifies issues which will require considerable give and take before a consensus is possible.

1. *There is a broad consensus among all the groups surveyed that all is not well with the nation's health care system and that fundamental changes are necessary.* Apart from 31% of physician leaders, no more than 14% of any of the groups surveyed believe that "on the whole, the health care system works pretty well, and only minor changes are necessary to make it work better." Physician leaders are the survey group most satisfied with the health care system and the least likely to want radical change, while the union leaders are the most critical and the most likely to press for the complete rebuilding of the system.

2. *Most of those who want to see fundamental changes in the health care system or who believe that we need to completely rebuild it believe that we should try to introduce change in an incremental way.*

3. *There is widespread support for the concept of health insurance coverage for all Americans, despite the current aversion to increased taxation.* Large majorities of all of the groups sampled, varying from 92% of the union leaders to 67% of the corporate executives, believe that "everyone should have health insurance, even if this means an increase in taxes." Furthermore, majorities of all of the different groups believe that at some time in the future, everyone will have some kind of health insurance. A majority of all of the groups surveyed except for state officials (and 50% of them) would favor, in principle, reallocating $50 billion currently spent on other goods and services to provide some kind of health insurance for those who are currently uninsured. Union leaders, physician leaders, and hospital CEOs are the most strongly in favor of this reallocation of resources, while state officials, managers of major insurance companies, federal legislators, and corporate executives are the least enthusiastic about this proposal.

4. *Consensus does not exist among the nine groups surveyed about the most important priority for change.* Given a choice between spending additional monies to improve access, provide catastrophic coverage or improve quality, *only very small numbers in any group think that improving the quality of health care services is the most important priority.* Majorities of federal legislators, union leaders, physician leaders, and state officials think that providing universal access to health care services is the most important priority. Majorities of corporate executives and major insurers think that avoiding catastrophic financial loss is the top priority.

When given a different choice of three other alternative priorities, a clear consensus does emerge. Large majorities of all nine groups agree that access to important preventive medical services is more important than providing long-term care insurance or keeping the United States at the cutting edge of new medical technology developments.

5. *While the leadership groups surveyed (except for union leaders) express serious reservations about government's ability to manage the health care system, large majorities of all groups believe that major government initiatives will be necessary to solve the problems facing the health care system.* By sizable majorities all groups except for union leaders believe that the appropriate role for the federal government in the health care system should (at most) be as a rulemaker, setting the rules for the private sector, rather than as a manager and administrator. This opinion is shared not only by corporate executives, hospital CEOs, physician leaders, and major insurers but also by most federal legislators and regulators, and key committee staff members.

6. *This tension, between the desire to limit the role of government on the one hand and the belief that government intervention is needed on the other, is reflected in the overwhelming consensus among all the groups surveyed (90% or more) who believe that the health care system of the future should continue to involve both the public and private sectors.* Further, with the exception of union leaders, who are split 50-50, all other leadership groups surveyed believe our insurance system should continue to operate largely through employment-based plans.

7. *One problem which most respondents believe will require government involvement is the affordability of health benefits for small businesses.* Large majorities of all groups, with one exception, believe that this problem will not be solved by the private sector alone and that government involvement will be necessary to solve it. The one exception is the sample of major insurers who, by 52% to 38%, believe that this problem *can* be solved by the private sector.

8. *There is, as yet, no consensus on what the health care system of the future should be.*

Most of the many proposals which have been aired for reforming the health care system over the longer term fall into one of three categories. Some propose the continuation of the present system based on private health insurance plus Medicare and Medicaid. A second set of proposals would essentially continue the present system but make two major additions, mandating employers to provide insurance and some government mechanism to provide health insurance for those who are unemployed. A third set of proposals calls for a comprehensive government health insurance program managed by the government, mainly funded with tax dollars. *There is no consensus among the nine groups surveyed as to which of these three alternatives is preferable.*

9. *The most popular option overall*, supported by majorities of federal regulators, physician leaders, hospital CEOs, large insurers, and state officials, *is the second option, an extension of the present system to provide universal coverage through both mandated benefits and government coverage of the uninsured.*

One reason for the relative popularity of this option is the belief that it would increase access (and overall costs) while improving the quality of care. In contrast, a comprehensive government insurance program is generally perceived as increasing access and costs while making the quality of care worse (union leaders, however, disagree).

10. *In the event that the government were to mandate that all employers must provide health insurance for employees and dependents, it would be acceptable to all nine groups if this mandate covered only basic hospital and doctors' services.*

11. *However, large majorities of all groups, except for union leaders, would not favor a uniform system with only one plan for everyone, with the same benefits and costs (46% of union leaders would prefer this option).*

A 67% majority of insurers and pluralities of corporate executives, federal legislators, physician leaders, and state officials prefer a system with a wide variety of many different plans. A majority of key federal committee staff members, federal regulators, and hospital CEOs would prefer a system with a limited number of plans, levels of benefits and costs.

12. *Notwithstanding the generally pejorative connotation of the word "rationing," majorities of all groups except union leaders, who are equally split, believe that it will be necessary to ration expensive high-tech medical services in order to provide health insurance for everyone and control costs.*

Substantial majorities of those who believe that some kind of rationing of expensive high-tech medical services will be necessary (the questions were only asked of these people) believe that several criteria are appropriate in making decisions about when patients should or should not get expensive care. These criteria are:

—How much the treatment is likely to improve the patient's quality of life,

—How many years or months the treatment is likely to add to the patient's life,

—Whether the treatment is likely to permit the patient to be productive, and

—The patient's age.

Majorities of all groups who were asked this question, except for the union leaders, also think that the cost of treatment is a relevant factor.

There is also widespread agreement that it would be undesirable to ration care differently for patients who have private or government paid health insurance.

13. *Among a number of other mechanisms to pay for the additional costs of an improved health care system, the two most acceptable mechanisms are "sin taxes" and higher premiums for people with unhealthy lifestyles.* Higher income taxes are seen as acceptable by smaller majorities of each group.

Spreading the increased costs uniformly through either taxes paid on health care premiums or substantially higher health insurance premiums is much less acceptable to those surveyed.

14. *Some aspects of cost containment programs and managed care are generally viewed as acceptable elements of a changed health care system, while others are more controversial.* Majorities, varying from 56% to 86%, of most of the groups surveyed feel that *it would be acceptable to pay substantially higher out-of-pocket costs for health care services used.* However, federal legislators are equally divided (49%-50% on this) and most union leaders find this increased cost-sharing unacceptable. *Majorities of all groups feel it would be acceptable to have to join a managed care plan such as an HMO.* Eighty percent or more of union leaders, major insurers, and state officials feel this would be acceptable.

The use of *primary care doctors as "gatekeepers"* is one of the most acceptable proposals on this list. *Very large majorities of all of the groups surveyed say that it would be acceptable to have to obtain the prior approval of a primary care doctor before seeing a specialist for non-emergency care.*

Belonging to a health plan that limits members to the most cost-effective providers and excludes those who are not cost-effective is acceptable to large majorities of all groups except physician leaders, for whom it is acceptable to a 56% majority.

Changes to the system which involve longer waits for non-emergency elective services, and non-coverage of expensive procedures and treatments do not now have a consensus.

Accepting limits on the right to sue for medical malpractice is one of the most popular alternatives, with large majorities of all groups finding it acceptable.

This survey is unique in that it goes beyond the questions of general policy concerns and probes stakeholders about the kinds of trade-offs and choices they may have to make to resolve some of the problems of the American health care system.

Trade-Offs for Hospitals

15. *Of eight proposals presented in the context of a total plan in which everyone made some concessions, five are at least somewhat acceptable to majorities of hospital CEOs. Three are acceptable to 64% or more of them*:

—Closing more underused hospitals,

—Having tougher constraints on capital expenditures, and

—Being required to accept and treat all patients even if reimbursement is below cost.

Two proposals are at least somewhat acceptable to slender 53% majorities of hospital CEOs but are opposed by very substantial minorities:

—Having to operate within predetermined global budgets, and

—Operating under a uniform one-payer system with prospective payment fees for all health plans, public and private.

Three proposals—all of which affect long-term financing—are overwhelmingly unacceptable even in the context of a plan in which everyone else was making concessions. These are:

—The loss of tax-exempt status,

—The loss of the ability to float tax-free bonds, and

—The loss of separate Medicare reimbursement of capital expenses.

Many hospital CEOs may be willing to sacrifice potential growth for long-term stability. A sizable 62%-37% majority would accept stricter limits on capital spending on new capacity, and stricter limits on spending on expensive new technologies if they could realistically expect a generally high level of occupancy of their beds and more predictable reimbursement.

Much smaller majorities (53% and 51% respectively) would also accept a significant reduction in the number of beds in their hospitals or a significant reduction in the revenues per bed day.

The great majority of hospital CEOs (77%) report it would be acceptable to reduce the number of hospitals in areas with low occupancy rates if this resulted in a significant increase in occupancy in the remaining area hospitals.

Trade-Offs for Businesses

16. *Corporate America appears willing to accept several requirements as their part of an overall plan to improve the health care system. Employers of different sizes respond somewhat differently.* A substantial majority of all employers (72%) say that it would be acceptable if, as part of a total plan, they were *required by law to provide a basic health insurance benefit for all full-time employees and dependents.* This concept is somewhat more acceptable to large employers than to small employers.

By 69%-30% most employers say that in the event that they were required by law to provide coverage, it would be acceptable if they were *limited by law to providing only a standard health plan which would be the same for every employer and every employee.* However, this concept of a uniform mandated benefit plan is somewhat less acceptable to the larger employers than it is to smaller employers.

Premiums based on community ratings and paying for benefits for retirees not eligible for Medicare are acceptable to smaller but still substantial majorities of employers. Community rating would be acceptable not only to many small employers, but also to half of the large employers surveyed.

The data also reveal several less acceptable options. Paying health benefits for part-time employees and paying a payroll tax to support the uninsured are acceptable to only a minority of employers.

17. *The strength of the corporate executives' opposition to the whole idea of a national health insurance system is clearly illustrated in their replies to two questions about it.* By three to one they say that if it was the only way to *prevent* the introduction of a national health insurance system, they would be willing to have a much more aggressively managed health care plan with less freedom of choice and much higher cost-sharing for their employees.

Even when corporate executives are asked, if, in a few year's time, it is clear that private sector managed care plans are not sufficiently containing health care costs, only a slender 53% majority of the corporate employers surveyed say they would be willing to accept a government mandated and controlled national health insurance system.

Trade-Offs for Unions

18. *Union leaders, while generally better disposed to a broader governmental role than others surveyed, have many areas where their views are consonant with those of employers and report a willingness to work with employers to improve the health care system.* As part of an overall plan in which everyone makes concessions, most union leaders say they would accept:

—Being limited by law to a standard health plan which would be the same for every employer and every employee, and

—Being required to belong to managed care plans such as HMOs or other health plans using limited panels of doctors, hospitals, and other providers.

They would not accept:

—Being required to pay higher deductibles and co-payments, and

— A cap on employer-provided health care benefits that are tax-free to their members.

Further, the great majority of union leaders surveyed say they would be willing to enter into cooperative ventures with management to contain health care costs through tightly managed care plans if the savings would be used for wage increases or to improve the competitiveness of the company in order to save jobs, or if the savings were shared equally between wage increases and job saving. On the other hand, health benefits are so important to union leaders that 72% say they would be willing to strike in order to prevent changes in their health plans which would substantially reduce their members' benefits.

Trade-Offs for Physicians

19. *On the whole, physician leaders appear to be the group surveyed which is most reticent to make concessions. Even as part of a total plan in which everyone made concessions, no more than 67% of physician leaders find any one of ten proposals acceptable.* Four proposals are acceptable to majorities of 55% or more. These are:

—Having somewhat lower incomes for specialists (as will happen under the resource-based relative value scales for Medicare).

—Being compensated on a fee-for-service basis but entirely from a fixed budget with an expenditure cap.

—Being required to generally follow practice guidelines on how to treat different conditions.

—Requiring patients to obtain the prior approval of a primary care physician in order to see specialists for non-emergency care.

Six of the proposals are unacceptable to majorities of physician leaders. The most unacceptable proposal (totally unacceptable to 58% and somewhat unacceptable to 21%) is to be compensated on a purely salaried basis.

20. *Physician leaders are far more receptive to specific trade-offs which would reduce their income in exchange for fewer complications and less "outside interference" in their practices. Specifically, very large majorities of physician leaders would be willing to trade a 10% reduction in physician fees in return for any one of the following:*

—A very substantial reduction in paperwork.

—Malpractice reform with limits on punitive damages and damages for pain and suffering.

—Substantially increased physician autonomy with less utilization review and less regulation.

As with other groups, physician leaders report strong hostility to the concept of national health insurance. Fully 63% of most physician leaders say they would not be willing to accept a national health insurance system which required them to negotiate with the government for any changes in their income and fees *even* if it guaranteed payment of their fees, substantially reduced utilization review, reduced malpractice insurance premiums, and cut their paperwork.

Trade-Offs for Insurers

21. *On the whole, large insurers appear willing to participate in a health insurance system which would cover everyone if a reinsurance mechanism were in place. They draw the line at functioning solely as administrators of a federally sponsored plan and at government rate regulation.*

Fully 94% would also be willing to accept a requirement that they participate in a reinsurance mechanism to spread excess health costs for small employers (47% find this totally acceptable); 89% would be willing to accept the requirement to renew small group coverage regardless of claims experienced if there is a reinsurance mechanism; and 85% would be willing to accept the requirement to issue health insurance to all individuals requesting it regardless of health status if there is a reinsurance mechanism. A sizable if smaller majority (63%) would be willing to accept giving up their current underwriting practices (such as pre-existing conditions exclusions) for small groups if there is a reinsurance mechanism. Three-quarters of insurers (74%) would be willing to accept some form of community rating for all health insurance risks in the small case market.

22. *Improving the health care system is widely perceived as a process in which many groups and interests should be involved.* Majorities of most of the nine groups surveyed think that employers, the federal government, state governments, doctors' organizations, the hospital industry, and the health insurance industry should play a major role in improving the system.

A large majority of each group surveyed believes its own group should play a major role in improving the health care system.

A majority of all groups surveyed except for physician leaders (and a plurality of them) believe that the federal government should have the principal responsibility for ensuring that everyone has reasonable *access* to care. A plurality of all groups except for physician leaders and hospital CEOs and a majority of federal legislators, federal regulators, and union leaders think that the federal government should also have the principal responsibility for health care *cost containment*.

There is a total absence of consensus as to who should have responsibility for *quality assurance*. The federal government and doctors' organizations are mentioned more than any other parties.

23. *Very large majorities of corporate executives, union leaders, physician leaders, hospital CEOs, and insurers all believe that their own industries or organizations should be willing to compromise in order to achieve viable reforms. However, amongst every group, except physician leaders, doctors are more likely than any other interest group to be thought of as a major barrier.*

PART I: A CHANGED SYSTEM

Chapter 1: Priorities and Underlying Values

There is a broad consensus among all the groups surveyed that all is not well with the nation's health care system and that fundamental changes are necessary. Substantial majorities of all of the groups, except labor union leaders, who feel even more critical, feel that the statement "there are some good things in our health care system, but fundamental changes are needed to make it work better" comes closest to their overall view of the health care system. Apart from 31% of physician leaders, no more than 14% of any of the groups surveyed believe that "on the whole, the health care system works pretty well, and only minor changes are necessary to make it work better."

TABLE I-1A

Attitudes to Health Care System

Q.A1a—First, a very general question. Which of the following statements comes closest to expressing your overall view of this country's health care system?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
On the whole, the health care system works pretty well, and only minor changes are necessary to make it work better	13	12	4	8	—	—	31	14	10	14
or There are some good things in our health care system, but fundamental changes are needed to make it work better	67	63	80	72	100	30	64	80	76	70
or The health care system has so much wrong with it that we need to completely rebuild it.	20	25	16	12	—	70	4	6	10	16
Not sure	*	*	*	8	—	—	—	*	5	—

Observation:

It should be noted that the total sample column in Table 1-1A, and in all the comparable tables which follow, is no more than the total responses given by all of the different respondents in the different groups sampled. As such it does not represent a specific population and is not projectable to any real universe. It is included in the tables only so that those reading the table can see how any particular group differed from the other populations sampled, in general.

It should also be noted here that other research has shown that Americans distinguish very sharply between their personal experiences with health care services (with which they are generally satisfied), and their attitudes to the system with which they are overwhelmingly dissatisfied.

There are some interesting differences between the perceptions of managers in larger and smaller companies. Managers of smaller companies are more likely to be highly critical of the health care system and to believe that "the health care system has so much wrong with it that we need to completely rebuild it." However, this is never more than a minority view, rising to 35% of managers in companies with 25 or fewer employees.

TABLE 1-1B

Corporate Attitudes to Health Care System

Q.A1a—First, a very general question. Which of the following statements comes closest to expressing your overall view of this country's health care system?

	TOTAL CORPORATE SAMPLE	CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
		10,000 OR MORE	1,000-9,999	100-999	26-99	1-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
On the whole, the health care system works pretty well, and only minor changes are necessary to make it work better	12	9	14	14	10	13	9	12	13	14
or There are some good things in our health care system, but fundamental changes are needed to make it work better	63	72	71	63	61	52	66	67	60	59
or The health care system has so much wrong with it that we need to completely rebuild it.	25	20	15	23	28	35	25	21	27	28
Not sure	*	—	1	*	1	—	*	*	1	—

Of all the different groups surveyed, the physician leaders are the most satisfied with the health care system and the least likely to want radical change, while the union leaders are the most critical and the most likely to press for the complete rebuilding of the system.

Most of those who want to see fundamental changes in the health care system or who believe that we need to completely rebuild it (which together form overwhelming majorities of all the groups surveyed) believe that we should try to introduce change in an incremental way. Large majorities of almost all of the groups take this view and greatly outnumber those who favor a quick and comprehensive reform. The one clear exception to this pattern is the sample of union leaders who on balance, if not overwhelmingly, favor quick and comprehensive reform.

TABLE 1-2

Favor Big Step Changes or Incremental Changes

Q.A1b—Do you think we should try to introduce change in an incremental way or do you think we should make changes comprehensively in a short period of time?

Base: "There are some good things in our health care system, but fundamental changes are needed to make it work better/The health care system has so much wrong with it that we need to completely rebuild it."

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	1779	1031	249	21	15	50	138	214	18	43
Incremental	65	63	57	57	87	44	80	76	72	70
Comprehensively	33	35	39	38	13	52	19	23	22	28
Not sure/Refused	2	2	4	5	—	4	1	1	6	2

None of the proposals for providing universal health insurance coverage which have been made by different organizations, interest groups or commissions have suggested that this can be done without some increase in taxes. In principle, this is not an overwhelming barrier to reform. Large majorities of all of the groups sampled, varying from 92% of the union leaders to 67% of the corporate executives, believe that "everyone should have health insurance, even if this means an increase in taxes."

TABLE 1-3

Support for Universal Coverage

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....Everyone should have health insurance, even if this means an increase in taxes....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Agree strongly	38	34	42	52	47	64	49	41	33	40
Agree somewhat	34	33	31	24	33	28	33	40	57	48
Disagree somewhat	15	17	14	20	13	4	12	14	10	8
Disagree strongly	11	15	10	—	7	4	6	5	—	—
Not sure/Refused	1	1	2	4	—	—	—	*	—	4
____All agree	72	67	73	76	80	92	82	80	90	88
____All disagree	27	32	24	20	20	8	18	19	10	8

Furthermore, majorities of all of the different groups believe that at some time in the future, everyone will have some kind of health insurance, even if there is not unanimity on this point. Only 57% of the physician leaders and 53% of the corporate executives surveyed think this will happen. (See Table 1-4A.)

TABLE 1-4A

Whether We Will Have Universal Coverage

Q.A2—Do you think that, at some time in the future, everyone in this country, including the more than 31 million people without such coverage, will have some kind of health insurance, or will that not happen?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Will have	59	53	67	76	73	66	57	71	76	82
Will not have	38	44	30	20	20	32	43	27	24	16
Not sure/Refused	2	2	3	4	7	2	—	1	—	2

There are also big differences between the expectations of the managers of larger and smaller companies. Whereas almost 80% of the managers of the largest companies expect to see universal health insurance at some time in the future, majorities of employers of companies with fewer than 100 employees do not think that this will happen.

TABLE 1-4B

Whether We Will Have Universal Coverage—Corporate Expectations

Q.A2—Do you think that, at some time in the future, everyone in this country, including the more than 31 million people without such coverage, will have some kind of health insurance, or will that not happen?

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Will have	53	79	64	51	45	38	56	61	47	50
Will not have	44	21	34	48	52	59	42	37	51	46
Not sure/Refused	2	1	3	2	4	3	3	2	1	4

How much it will cost to provide health insurance for those who do not have it now will depend on many factors including the way in which that coverage is provided; it is also a subject of much debate. A majority of all of the groups surveyed except for state officials (and 50% of them) would favor, in principle, reallocating $50 billion currently spent on other goods and services to provide some kind of health insurance for those who are currently uninsured. Union leaders, physician leaders, and hospital CEOs are the most strongly in favor of this reallocation of resources, while state officials, managers of major insurance companies, federal legislators, and corporate executives are the least enthusiastic about this proposal.

TABLE 1-5

Attitudes to Spending $50 Billion to Cover the Uninsured

Q.A4—At the moment, we spend approximately $600 billion, or 12% of GNP on health care, and an estimated 31 million people have no health insurance. If the additional cost of insuring these 31 million people meant $50 billion less for spending on other goods or services—would you favor or oppose such additional coverage?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Favor	62	58	55	68	67	82	76	74	52	50
Oppose	29	34	30	16	20	6	15	21	43	20
It would depend	7	6	9	12	7	8	8	5	5	20
Not sure/Refused	2	2	6	4	7	4	—	*	—	10

Observation:

The $50 billion number used in the question was an arbitrary choice. It does not imply an assumption that this is the actual sum required (although it is of the same order of magnitude as the amounts mentioned in various reports).

Freedom of choice is a principle to which most Americans are strongly committed, and eight of the nine groups surveyed here are no exception. By majorities varying from 90% of physician leaders to 60% of federal health care regulators, they agree with the statement that "most Americans would not be comfortable with any limits on their range of choice of doctors." Major insurers, who have more experience with HMOs and PPOs than any of the other groups surveyed, are less certain. They divide more or less equally between those who agree and disagree. It should be noted, however, that the numbers who agree strongly with the statement, with the exception of 56% of physician leaders, constitute no more than 34% of any group.

TABLE 1-6A

Attitudes to Limiting Choice of Doctors

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....Most Americans would not be comfortable with any limits on their range of choice of doctors....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Agree strongly	35	34	32	24	20	22	56	33	19	20
Agree somewhat	37	34	45	40	40	44	34	41	29	44
Disagree somewhat	23	25	18	28	40	32	9	22	38	30
Disagree strongly	5	7	3	4	—	2	1	4	14	6
Not sure/Refused	1	1	2	4	—	—	—	*	—	—
____All agree	72	68	77	64	60	66	90	73	48	64
____All disagree	28	31	21	32	40	34	10	26	52	36

There are big differences between the replies of larger and smaller company executives to this question. Executives in the largest companies surveyed divide almost equally, like insurers. The smaller the company the more likely the executive is to believe that most Americans would *not* be comfortable with any limits to their choice of doctors. There are also some differences by region; business executives in the West, where HMOs and PPOs which limit choice have been most widely established, are more likely to think that limited choice *is* acceptable.

TABLE 1-6B

Corporate Attitudes to Limiting Choice of Doctors

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....Most Americans would not be comfortable with any limits on their range of choice of doctors....

	TOTAL CORPORATE SAMPLE	CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
		10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Agree strongly	34	15	26	32	32	51	36	32	38	26
Agree somewhat	34	36	37	31	41	29	35	35	34	34
Disagree somewhat	25	37	28	25	22	16	24	26	19	32
Disagree strongly	7	13	9	7	4	3	5	5	9	7
Not sure/Refused	1	1	1	—	1	1	—	1	1	*
____All agree	68	51	62	68	73	80	71	68	72	60
____All disagree	31	49	37	32	26	19	29	31	28	40

Observation:

It is noteworthy that organizations which generally have more experience with different forms of managed care, such as insurers, large corporations, and companies in the West, are the most likely to believe that many Americans will accept limits on their range of choice of doctors. It should also be noted that the numbers of Americans who belong to managed care plans, which either limit the choice of doctors or have a financial penalty for going outside the physicians in the plan, have been rising steadily and continue to rise.

Nevertheless, the majorities who think that most people would not be comfortable with any limits on their choice of doctors are an indication of how difficult it is to persuade almost all of these groups to accept tightly managed care with any enthusiasm.

In the real world, resources are finite and there is inevitably competition for the allocation of finite resources. Not every desirable objective is affordable. The replies shown in Tables 1-7 and 1-8 indicate how the nine groups surveyed react to a choice between spending additional monies to improve access, provide catastrophic coverage or improve quality. There is no consensus among these groups on this question. However, only very small numbers in any group think that improving the quality of health care services is the most important priority (of these three options). Majorities of federal legislators, union leaders, physician leaders, and state officials think that providing universal access to health care services is the most important priority. Majorities of corporate executives and major insurers think that avoiding catastrophic financial loss is the top priority.

TABLE 1-7

First Priority for Additional Spending— Access, Catastrophic Coverage or Quality

Q.B1a—Assume you are running the health care system and have finite resources to spend to improve the system. Which one of the following would you prefer to spend the largest amount of additional money on?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Making sure that everyone can afford access to physician services and health care	40	29	64	48	40	58	53	47	29	64
or										
Making sure nobody suffers catastrophic financial loss because of the cost of health care	43	51	21	32	33	22	38	37	57	18
or										
Improving the quality of health care services	16	18	11	4	13	16	6	15	14	18
None	1	*	*	4	—	2	1	—	—	—
All equal	1	1	2	4	13	2	*	1	—	—
Not sure	*	*	2	8	—	—	—	—	—	—

TABLE 1-8

First and Second Priority for Additional Spending—Access, Catastrophic Coverage or Quality

Q.B1a/b—Assume you are running the health care system and have finite resources to spend to improve the system. Which one of the following would you prefer to spend the largest amount of additional money on?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
Base:	2048	1175	260	25	15	50	201	251	21	50
Making sure that everyone can afford access to physician services and health care	72	66	86	76	60	76	85	75	71	86
or										
Making sure nobody suffers catastrophic financial loss because of the cost of health care	76	80	65	68	73	64	79	73	86	64
or										
Improving the quality of health care services	48	52	40	20	40	52	32	50	43	50
None	1	1	*	4	—	2	2	*	—	—
All equal	1	1	2	8	13	2	*	1	—	—
Not sure	*	*	2	8	—	—	—	—	—	—

Table 1-8 shows the replies to the same question when both the first and second priorities are combined. While all the percentages are obviously higher, the pattern and rank order of responses are similar to those in Table 1-7. (However, the totals add to approximately 200% because they include two answers from each respondent.)

When given a different choice of three other alternative priorities, a clear consensus does emerge. Large majorities of all nine groups agree that access to important preventive medical services is more important than providing long-term care insurance or keeping the United States at the cutting edge of new medical technology developments. Even among physician leaders and hospital CEOs, less than 10% think remaining at the cutting edge of new medical technology should be a higher priority than preventive services and long-term care.

TABLE 1-9

Priority for Additional Spending—Long-Term Care Insurance, Access to Preventive Services and Maintaining Technological Leadership

Q.B2a—Assume you are running the health care system and have finite resources to spend to improve the system. Which one of the following would you spend the largest amount of money on?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
Base:	2048	1175	260	25	15	50	201	251	21	50
Providing long-term care insurance so that nursing home care is affordable	16	18	14	16	—	16	11	13	10	8
or										
Making sure all children and adults can have access to important preventive medical services such as prenatal, baby and infant care, blood pressure tests, and cholesterol tests, and the like	73	69	77	76	87	72	80	79	86	90
or										
Making sure the United States remains at the cutting edge of new medical technology developments	9	12	4	—	13	6	7	8	5	2
None of these	1	1	*	—	—	2	*	*	—	—
All equal	*	*	2	—	—	2	1	—	—	—
Not sure	1	*	3	8	—	2	*	—	—	—

Observation:

The replies given in Tables 1-7 and 1-9 should not be misinterpreted. The fact that relatively few people may pick a specific alternative does not mean that it is not a desirable objective or that it is not a priority. It only means that it is a lower priority than the other policy options which are preferred.

Chapter 2: The Basic Qualities of a Desired System

Tables 2-1, 2-2 and 2-3 illuminate the somewhat conflicting opinions which many Americans, including most of the leaders surveyed, have about the role of government. On the one hand (Table 2-1) large majorities of all of the groups surveyed, except for union leaders, have strong reservations about the government managing the health care system. The general assumption (although the question was not asked in quite this way) seems to be that if the government takes over the management of the health care system things will get worse.

TABLE 2-1

Attitudes to Government Management of Health Care System

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....if the government takes over management of the health care system, things will get better....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Agree strongly	4	4	3	8	—	20	1	1	—	4
Agree somewhat	16	16	28	20	20	38	3	8	—	32
Disagree somewhat	25	26	32	32	73	18	14	21	5	42
Disagree strongly	54	53	33	36	7	20	82	70	95	22
Not sure/Refused	1	1	4	4	—	4	—	—	—	—
____All agree	20	20	31	28	20	58	4	9	—	36
____All disagree	79	79	65	68	80	38	96	91	100	64

This skepticism about the ability of the federal government to manage programs explains the answer to another question (Table 2-2). By sizable majorities all groups, except for union leaders, believe that the appropriate role for the federal government in the health care system should (at most) be as a rulemaker, setting the rules for the private sector, rather than as a manager and administrator. This opinion is shared not only by corporate executives, hospital CEOs, physician leaders, and major insurers but also by most federal legislators and regulators, and key committee staff members.

Observation:

These replies (in Tables 2-1, 2-2 and 2-3) suggest that many of the leaders surveyed only turn to government for a solution as a last resort, and even then they prefer to keep the government's involvement to a minimum. Nevertheless, they believe that the system cannot cure itself without government intervention, and that it will be necessary for the government to play a major role in shaping the health care system of the future.

A "major government initiative" (Table 2-3) was not defined. It could mean very different things to different people.

TABLE 2-2

Government as Manager or Rulemaker

Q.E5—Do you think the appropriate role for the federal government in the future of the health care system should be more as a manager and an administrator of health insurance as it is for Medicare, or more as a rulemaker setting the rules for the private sector to manage and administer health care?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Manager and administrator	30	31	30	36	13	48	23	26	—	32
Rulemaker	63	64	63	56	87	50	61	63	90	58
Neither	6	4	5	8	—	2	15	11	10	8
Not sure/Refused	1	1	2	—	—	—	1	—	—	2

Notwithstanding the clearly expressed skepticism of all groups except for union leaders about involving the government in the health care system, very large majorities of all groups except for physician leaders (where the lower-than-average majority is still 68% to 32%) believe that major government initiatives *will* be necessary to solve the problems facing the system.

TABLE 2-3

Whether Major Government Initiative Will Be Necessary

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....Major government initiatives will be necessary to solve the problems facing the health care system....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Agree strongly	41	38	51	52	73	72	26	39	38	56
Agree somewhat	39	40	35	28	20	28	42	39	48	38
Disagree somewhat	12	12	10	16	7	—	14	16	10	4
Disagree strongly	8	9	4	—	—	—	18	6	5	2
Not sure/Refused	1	1	1	4	—	—	—	—	—	—
____All agree	79	79	85	80	93	100	68	78	86	94
____All disagree	20	21	14	16	7	—	32	22	14	6

This tension, between the desire to limit the role of government on the one hand and the belief that government intervention is needed on the other, is reflected in the overwhelming consensus among all the groups surveyed (90% or more) who believe that the health care system of the future should continue to involve both the public and private sectors.

TABLE 2-4

Attitudes to Mixed Private/Public System

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....A health care system of the future should continue to involve both the public and private sectors....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Agree strongly	71	67	75	84	87	62	66	82	90	88
Agree somewhat	25	28	20	12	13	28	31	16	10	8
Disagree somewhat	3	3	3	4	—	6	2	2	—	2
Disagree strongly	1	1	1	—	—	2	*	1	—	—
Not sure/Refused	*	*	1	—	—	2	—	—	—	2
____All agree	96	95	95	96	100	90	97	97	100	96
____All disagree	4	5	4	4	—	8	3	3	—	2

Observation:

There is no appetite among any of these groups for either a totally government run system or one which excludes the government altogether.

The last few years have seen substantial changes in the health insurance available to small employers. The trend has been away from community rating toward experience rating, or other rating techniques, with insurers offering very different prices to different small employers based on their likely health care costs. As a result, an increasing number of small employers have found it more difficult, or even impossible, to obtain health insurance at an affordable cost. Large majorities of all groups, with one exception, believe that this problem will not be solved by the private sector alone and that government involvement will be necessary to solve it. The one exception is the sample of major insurers who, by 52% to 38%, believe that this problem *can* be solved by the private sector. (See Table 2-5A.)

TABLE 2-5A

Whether Public or Private Sector Will Solve Small Business Rates Problem

Q.C6—Because health insurers increasingly set their rates for small employers based on each employer's actual or expected claims experience, some small companies, particularly those with older employees or sicker dependents, can't afford health insurance. Do you think this problem will be solved by the private sector or do you think government involvement will be necessary?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Private sector will solve the problem	22	25	17	8	—	6	27	18	52	8
Government involvement will be necessary	75	72	82	92	100	90	70	80	38	88
Not sure/Refused	3	3	2	—	—	4	3	2	10	4

There are some interesting differences between the replies of executives of smaller and larger companies. While majorities of employers in every size category think that government involvement will be necessary, the larger companies are more likely than smaller companies to believe that the private sector will be able to solve the problem.

TABLE 2-5B

Corporate Expectations for Public or Private Solution to Small Business Rates Problem

Q.C6—Because health insurers increasingly set their rates for small employers based on each employer's actual or expected claims experience, some small companies, particularly those with older employees or sicker dependents, can't afford health insurance. Do you think this problem will be solved by the private sector or do you think government involvement will be necessary?

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Private sector will solve the problem	25	35	26	26	21	19	22	25	26	27
Government involvement will be necessary	72	65	72	72	76	76	76	74	70	69
Not sure/Refused	3	1	3	2	3	5	2	2	4	3

Observation:

The belief of many large insurers that there is a private sector solution to this problem has been reflected in the proposals made by the Health Insurance Association of America (HIAA), and the new legislation passed in Connecticut, to make health insurance more affordable for some small employers. The replies of all of the other groups indicate that they are skeptical that such proposals or policies will work.

Regardless of how much most of the leaders surveyed believe that fundamental changes are desirable and inevitable, they overwhelmingly believe (with the exception of union leaders, who are split 50-50) that our health insurance should continue to operate largely through employment-based plans. However, the proportions of the different groups who believe this "strongly" varies from 81% of large insurers to 18% of federal legislators (and only 8% of union leaders).

TABLE 2-6

Attitudes to Role of Employment-Based Plans

Q.A3—Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly.

....Our health insurance system should continue to operate largely through employment-based plans....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Agree strongly	31	32	18	40	27	8	42	33	81	22
Agree somewhat	42	38	56	32	60	42	43	48	14	40
Disagree somewhat	18	19	20	16	7	32	10	16	—	30
Disagree strongly	8	11	3	8	7	18	5	4	5	6
Not sure/Refused	1	1	2	4	—	—	—	*	—	2
____All agree	73	69	74	72	87	50	85	80	95	62
____All disagree	26	30	23	24	13	50	15	19	5	36

The great majority of the many proposals which have been aired for reforming the health care system over the longer term fall into one of three categories. Some propose the continuation of the present system based on private health insurance plus Medicare and Medicaid. A second set of proposals would essentially continue the present system but make two major additions, mandatory employer-provided insurance and some government mechanism to provide health insurance for those who are unemployed. A third set of proposals calls for a comprehensive government health insurance program managed by the government, mainly funded with tax dollars. There is no consensus among the nine groups surveyed as to which of these three alternatives is preferable. A 58% majority of union leaders, but not more than 27% of any other group, would prefer the most radical alternative, a comprehensive government-run national health insurance program. Sizable minorities, including approximately a third of the corporate executives, federal legislators, key federal committee staff, physician leaders, and major insurers would favor a continuation of the present system to either of the other two alternatives.

The most popular option overall, supported by majorities of federal regulators, physician leaders, hospital CEOs, large insurers, and state officials, is the second option, an extension of the present system to provide universal coverage through both mandated benefits and government coverage of the uninsured. (See Table 2-7A.)

TABLE 2-7A

Attitudes to Three Alternative Systems

Q.C1—A number of plans have been proposed as ways to improve the health care system in this country. Which one of the following 3 systems would you like the best?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
The present system, based on private health insurance, mostly through employers, plus Medicare and Medicaid	32	35	37	32	13	10	33	21	33	20
or										
The present system with two changes: A law requiring employers to provide health insurance to all their employees, and the government to provide health insurance to everyone who is not employed	43	35	35	44	60	28	61	72	67	54
or										
A comprehensive government health insurance program covering all medical and hospital expenses, paid for by taxes. Under such a program, the government would control hospital costs, physician fees and other charges	21	27	18	16	20	58	3	6	—	26
None	3	2	8	8	7	2	2	2	—	—
Not sure	1	*	2	—	—	2	*	—	—	—

The preferences of larger and smaller employers differ quite sharply. While there are no majorities in favor of either of the three alternatives amongst any of the employer subsamples, a preference for a comprehensive government-run tax-funded program rises from only 19% in the largest companies to 36% in the smallest companies.

TABLE 2-7B

Attitudes to Three Alternative Systems

Q.C1—A number of plans have been proposed as ways to improve the health care system in this country. Which one of the following 3 systems would you like the best?

	TOTAL CORPORATE SAMPLE	CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
		10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
The present system, based on private health insurance, mostly through employers, plus Medicare and Medicaid	35	32	41	37	33	32	27	39	40	32
or										
The present system with two changes: A law requiring employers to provide health insurance to all their employees, and the government to provide health insurance to everyone who is not employed	35	47	40	34	31	28	40	34	28	41
or										
A comprehensive government health insurance program covering all medical and hospital expenses, paid for by taxes. Under such a program, the government would control hospital costs, physician fees and other charges	27	19	19	26	32	36	31	24	28	25
None	2	2	1	2	3	3	1	2	3	3
Not sure	*	—	—	*	*	1	1	*	*	—

Observation:

One inhibitor to changing the health care system is the lack of consensus regarding the nature of a new system. Nonetheless, although there is not a consensus on which of these three alternatives is preferable, the second option (the present system with expansion of private and public coverage for those now uninsured) is more acceptable than the others. Among five groups it commands majority support. Among three other groups it is in a sense a median position, flanked by significant minorities who prefer either the more conservative or the more radical options. Only among union leaders is there a majority for any other alternative.

When asked not which of these three alternatives they would prefer but which they think is most likely to be in place in the year 2000, majorities of most groups pick the second option; that is, the present system with the addition of mandatory employer-provided coverage and government insurance of the uninsured. Federal committee staff members, federal regulators, and state officials are the most likely to believe that this will happen. Among two groups, corporate executives and union leaders, there is no majority agreement as to what will happen, but pluralities in both groups agree with the majorities in the other groups that the second option is the most likely.

TABLE 2-8

Expected System in Year 2000

Q.C2—Looking ahead 10 years to the year 2000, which one of these 3 systems do you think the United States is most likely to have?

	TOTAL SAMPLE %	CORPORATE EXECUTIVES %	FEDERAL LEGISLATORS %	KEY COMMITTEE STAFF %	FEDERAL REGULATORS %	UNION LEADERS %	PHYSICIAN LEADERS %	HOSPITAL CEOs %	MAJOR INSURERS %	STATE OFFICIALS %
Base:	2048	1175	260	25	15	50	201	251	21	50
The present system, based on private health insurance, mostly through employers, plus Medicare and Medicaid	21	22	33	20	7	10	16	9	38	14
or										
The present system with two changes: A law requiring employers to provide health insurance to all their employees, and the government to provide health insurance to everyone who is not employed	50	42	53	72	87	48	64	64	52	70
or										
A comprehensive government health insurance program covering all medical and hospital expenses, paid for by taxes. Under such a program, the government would control hospital costs, physician fees and other charges	28	35	12	4	7	38	18	26	10	14
None	1	1	2	4	—	2	1	—	—	—
Not sure	*	1	—	—	—	2	—	1	—	2

Observation:

Every group surveyed (with two exceptions) has more people who think we will *have the present system with mandatory employer-provided coverage and government insurance of the uninsured, than would prefer that option. The two exceptions — hospital CEOs and major insurers — have the largest proportions preferring this option and majorities who expect it in 2000.*

The data in Tables 2-9 through 2-12 show what leaders think about the likely impact of changes in the health care system on cost and quality. Majorities of all groups, except union leaders, believe that the adoption of a comprehensive government health insurance program covering all medical and hospital expenses paid for by taxes would both increase taxes and make the quality of health care services worse. Major insurers, physician leaders, and hospital CEOs are the most likely to have these negative expectations for a comprehensive government program.

The replies of union leaders are strikingly different. They are divided more or less equally in terms of their perceptions of the impact on cost, but by 68%-20% they think that a comprehensive government program would improve the quality of care.

TABLE 2-9

Impact of Comprehensive Government Program on Costs

Q.C3a—Suppose we adopted the third alternative—a comprehensive government health insurance program covering all medical and hospital expenses paid for by taxes. Do you think changing to this system would increase or decrease total health care costs?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Increase costs	72	71	58	52	73	48	92	83	95	64
Decrease costs	24	26	34	32	27	46	7	16	—	26
Not sure/Refused	4	3	8	16	—	6	*	1	5	10

Observation:

The proportions of respondents in each group who would prefer a comprehensive government health insurance program are relatively consistent with the proportions who think such a system would decrease costs and improve quality of care.

TABLE 2-10

Impact of Comprehensive Government Program on Quality

Q.C3b—And do you think this comprehensive government health insurance covering all medical and hospital expenses paid for by taxes would make the quality of health care services much better, somewhat better, somewhat worse or much worse?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Much better	3	3	2	—	7	28	*	*	—	8
Somewhat better	24	29	27	32	20	40	5	11	—	22
Somewhat worse	44	44	38	32	40	16	47	54	52	44
Much worse	22	19	22	20	13	4	46	26	33	12
No difference	5	4	8	12	20	10	—	8	14	10
Not sure/Refused	1	1	3	4	—	2	1	—	—	4
____All better	27	32	29	32	27	68	6	12	—	30
____All worse	67	63	60	52	53	20	93	80	86	56

Attitudes to the second option, the present system with the addition of mandated employer-provided insurance and government coverage of the uninsured, are more positive. While large majorities of all groups, including union leaders on this occasion, think that changing to this system would increase total health care costs, majorities of all the groups surveyed believe that this would make the quality of care better. Only relatively small minorities (the 34% of corporate executives being the highest number) believe that this would make the quality of care worse.

TABLE 2-11

Impact of Mixed Public/Private Universal Coverage on Costs

Q.C4a—Suppose we adopted the second alternative—a system in which employers are mandated to provide health insurance for their employees and dependents and the government provides health insurance for everyone else. Do you think changing to this system would increase or decrease total health care costs?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Increase costs	77	80	65	68	93	78	82	73	86	68
Decrease costs	18	15	28	24	7	16	15	24	14	24
Not sure/Refused	4	4	7	8	—	6	2	3	—	8

TABLE 2-12

Impact of Mixed Public/Private Universal Coverage on Quality

Q.C4b—And do you think this system in which employers are mandated to provide health insurance for their employees and dependents and the government provides health insurance for everyone else would make the quality of care delivered much better, somewhat better, somewhat worse or much worse?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Much better	3	2	3	—	7	4	6	4	—	6
Somewhat better	54	50	56	56	47	60	59	65	57	50
Somewhat worse	24	30	21	12	20	14	16	12	10	22
Much worse	3	4	5	—	—	2	2	1	5	—
No difference	14	13	13	32	27	14	16	18	29	20
Not sure/Refused	1	1	2	—	—	6	*	—	—	2
____All better	57	53	59	56	53	64	65	69	57	56
____All worse	27	34	26	12	20	16	18	13	14	22

Observation:

The contrast between the positive attitudes expressed in Table 2-12 and the much more negative ones expressed in Table 2-10 underlines the much greater acceptability of the less radical of the two alternative ways of providing universal coverage.

Chapter 3: Components of a Desired System

In the event that the government were to mandate that all employers must provide health insurance for employees and dependents, it would be acceptable to all nine groups if this mandate covered only basic hospital and doctors' services. This concept of a basic mandated coverage for employees is somewhat more acceptable to the larger companies (e.g, 74% of employers with 10,000 or more employees) than it is to smaller companies (61% of employers with 25 or fewer employees). It is also somewhat more acceptable to employers in the East and Midwest than it is to those in the South or the West. (See Table 3-1B.)

TABLE 3-1A

Acceptability of Mandated Employer-Provided Basic Coverage

Q.C5—If the government were to mandate that all employers must provide health insurance for employees and dependents, how acceptable would it be if this mandate covered only basic hospital and doctor services but not additional services such as prescription drugs or home health treatment.Would it be totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	15	14	7	28	27	8	21	22	33	18
Somewhat acceptable	56	53	55	48	60	58	70	59	43	58
Somewhat unacceptable	18	19	25	12	13	24	6	14	14	20
Totally unacceptable	11	14	10	12	—	10	3	5	10	4
Not sure/Refused	*	*	2	—	—	—	—	*	—	—
____All acceptable	71	67	62	76	87	66	91	81	76	76
____All unacceptable	29	33	36	24	13	34	9	18	24	24

Observation:

Because this is a rather complex question it is not clear why those who say the proposal is unacceptable give this answer. Some may oppose the whole concept of mandated benefits, or believe that the basic package would be too rich. Others may feel that it would not be rich enough.

One reason why smaller employers are less supportive of mandatory employer-provided coverage, of any kind, may be a feeling that it is not their responsibility to provide health insurance.

TABLE 3-1B

Acceptability (to Corporations) of—Mandated Employer-Provided Basic Coverage

Q.C5—If the government were to mandate that all employers must provide health insurance for employees and dependents, how acceptable would it be if this mandate covered only basic hospital and doctor services but not additional services such as prescription drugs or home health treatment. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable or totaliy unacceptable?

	TOTAL CORPORATE SAMPLE	CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
		10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	14	18	15	13	12	13	16	14	10	16
Somewhat acceptable	53	56	56	54	53	47	54	56	54	45
Somewhat unacceptable	19	17	17	18	20	20	19	17	17	23
Totally unacceptable	14	10	12	15	16	18	11	13	17	16
Not sure/ Refused	*	—	1	*	—	1	*	*	*	*
____All acceptable	67	74	71	66	65	61	70	70	65	61
____All unacceptable	33	26	29	33	35	39	30	30	35	38

Commentators writing about the health care system have different attitudes toward the enormous variety of different health care plans with different levels of benefits and costs which are available. Some feel that this variety is a great strength which allows employers and (where they have some choices) employees to choose the plans which are best suited to their needs. Others feel that the large numbers of different plans make it more difficult to contain costs and add to administrative and managerial costs. The lack of consensus among the nine groups surveyed reflects the many different points of view which exist on this issue. However, large majorities of all groups, except for union leaders, would not favor a uniform system with only one plan for everyone, with the same benefits and costs (46% of union leaders *would* prefer this option).

A 67% majority of insurers and pluralities of corporate executives, federal legislators, physician leaders, and state officials prefer a system with a wide variety of many different plans. A majority of key federal committee staff members, federal regulators, and hospital CEOs would prefer a system with a limited number of plans, levels of benefits, and costs.

TABLE 3-2

Preferences for Many Plans, Limited Number, or Only One Benefit Plan

Q.C8—Which do you think would be better....?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A system with a variety of health plans, with many different levels of benefits and costs	40	39	47	36	27	20	49	33	67	44
or										
A system with a limited number of plans, levels of benefits and costs	40	36	41	56	53	30	43	55	29	34
or										
A system with one plan for everyone with the same benefits and costs	19	24	10	8	13	46	7	11	5	20
None of these	*	*	1	—	7	4	—	—	—	—
Not sure	*	*	1	—	—	—	—	—	—	2

One of the most emotionally charged words in the debate about health care is rationing. Notwithstanding the generally pejorative connotation of the word, majorities of all groups except union leaders, who are equally split, believe that it will be necessary to ration expensive high-tech medical services in order to provide health insurance for everyone and control costs. Fully 95% of the large insurers, 82% of hospital CEOs, and 77% of physician leaders believe that some kind of rationing will be necessary.

TABLE 3-3A

Attitudes to Rationing

Q.C9—Do you believe that in order to provide health insurance for everyone and control costs, it will be necessary to limit, or ration, the availability of expensive high-tech medical services, or not?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Yes, it will be necessary	63	56	61	64	73	50	77	82	95	74
No, it will not be necessary	34	42	36	32	27	50	15	16	5	22
Not sure/Refused	3	2	3	4	—	—	7	1	—	4

While a modest 56% of the corporate executives surveyed believe that some kind of rationing will be necessary, there are big differences between the replies of large and small employers. Big majorities of the larger employers (e.g., 71% of those in companies with 10,000 or more employees) believe rationing will be necessary. Among employers with 25 or fewer employees a 49% plurality believes that rationing will not be necessary.

TABLE 3-3B

Corporate Attitudes to Rationing

Q.C9—Do you believe that in order to provide health insurance for everyone and control costs, it will be necessary to limit, or ration, the availability of expensive high-tech medical services, or not?

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Yes, it will be necessary	56	71	67	52	52	45	56	59	54	56
No, it will not be necessary	42	28	34	47	45	49	42	38	44	42
Not sure/Refused	2	1	—	1	3	6	2	4	2	1

Observation:

Because there are no data on how any of these groups felt about rationing a few years ago, there is no measure of how their attitudes to rationing have changed. However, it seems reasonable to assume that answers to this question would have been different five or ten years ago and that the debate about the cost of health care and the many dramatic advances that have been made in the diagnosis and treatment of diseases is reflected in these replies.

Attitudes to rationing almost certainly vary according to who is doing the rationing, an issue not addressed in this question.

Table 3-4 is the only table in this report which shows the answers of all the groups surveyed together rather than the replies of each of the nine groups separately. The reason the data is presented in this way is that there is a broad agreement amongst all of the different groups in their replies to this set of questions, with one exception, which is noted below.

Substantial majorities of those who believe that some kind of rationing of expensive high-tech medical services will be necessary (the questions were only asked of these people) believe that several criteria are appropriate in making decisions about when patients should or should not get expensive care. These criteria are:

—how much the treatment is likely to improve the patient's quality of life

—how many years or months the treatment is likely to add to the patient's life

—whether the treatment is likely to permit the patient to be productive, and

—the patient's age.

Majorities of all groups who were asked this question, except for the union leaders, also think that the cost of treatment is a relevant factor.

There is also widespread agreement that it would be undesirable to ration care differently for patients who have private or government-paid health insurance.

TABLE 3-4

Acceptability of Different Criteria for Rationing

Q.C10—In your judgment, should the following factors influence decisions about when patients should get expensive high-tech medical services, or not?

Base: "Will be necessary to limit, or ration, the availability of expensive high-tech medical services"

	SHOULD %	SHOULD NOT %	NOT SURE %
How much the treatment is likely to improve the patient's quality of life	89	10	1
How many years or months the treatment is likely to add to the patient's life	80	19	1
Whether the treatment is likely to permit the patient to continue to be productive	74	24	1
The patient's age	61	39	1
The cost of the treatment	60	39	1
Whether the patient has private or government-paid health insurance	18	81	1

Tables 3-5 through 3-16 show the acceptability of a variety of proposals for increasing revenues to pay for additional health care costs and/or ways of containing health care spending. It should be stressed that the questions asked included the words "If it were part of a program where each group would make concessions in order to reach a consensus . . . ." If the respondent had been asked a straight "favor or oppose" question without this preamble, the level of acceptance would presumably have been lower. The results are summarized on the following pages.

The two most acceptable mechanisms for paying for additional health care costs are "sin taxes" and higher premiums for people with unhealthy lifestyles. Higher income taxes are seen as acceptable by smaller majorities of each group.

Paying *higher taxes on cigarettes and liquor* is acceptable to large majorities of all groups and totally acceptable to majorities of all groups except for federal legislators (49% of whom say it is totally acceptable).

TABLE 3-5

Acceptability of—Higher Taxes on Cigarettes and Liquor

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Paying higher taxes on cigarettes and liquor....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	62	59	49	72	80	60	82	71	81	68
Somewhat acceptable	25	27	29	24	13	32	13	22	19	28
Somewhat unacceptable	6	6	12	—	7	6	2	5	—	4
Totally unacceptable	6	7	10	4	—	2	3	2	—	—
Not sure/Refused	*	*	*	—	—	—	—	—	—	—
__ _All acceptable	88	86	78	96	93	92	95	93	100	96
____All unacceptable	12	14	22	4	7	8	5	7	—	4

Requiring *people who have unhealthy lifestyles*, such as smoking or the excessive use of alcohol, *to pay higher insurance premiums* is acceptable to very large majorities of all groups except for union leaders (where the majority is still 68%). The groups which favor this most strongly are major insurers and physician leaders. Large employers support this idea more strongly than do smaller employers.

TABLE 3-6A

Acceptability of—Increased Premiums for People with Unhealthy Lifestyles

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some consessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to pay higher insurance premiums if you or your spouse have unhealthy lifestyles such as smoking or excessive use of alcohol....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	51	49	46	48	60	24	66	58	81	44
Somewhat acceptable	37	37	42	36	33	44	26	37	19	40
Somewhat unacceptable	7	8	7	8	—	20	3	4	—	8
Totally unacceptable	5	6	4	4	7	12	4	1	—	8
Not sure/Refused	*	—	1	4	—	—	*	—	—	—
____All acceptable	88	86	88	84	93	68	92	95	100	84
____All unacceptable	12	14	11	12	7	32	8	5	—	16

TABLE 3-6B

Acceptability (to Corporations) of—Increased Premiums for People with Unhealthy Lifestyles

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to pay higher insurance premiums if you or your spouse have unhealthy lifestyles such as smoking or excessive use of alcohol....

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	49	56	58	42	48	45	51	50	46	50
Somewhat acceptable	37	36	35	44	34	37	38	37	37	39
Somewhat unacceptable	8	4	6	8	10	10	8	9	10	5
Totally unacceptable	6	4	2	5	8	8	3	5	7	7
Not sure/Refused	—	—	—	—	—	—	—	—	—	—
____All acceptable	86	92	93	87	82	82	89	86	83	88
____All unacceptable	14	8	8	13	18	18	11	14	17	12

Majorities of all groups say that it would be acceptable to pay *higher income taxes*. However, it should be noted that the amount of higher taxes involved was not specified and that only relatively few people in any group said that this would be totally acceptable.

TABLE 3-7

Acceptability of—Higher Income Taxes

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Paying higher income taxes....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	11	9	15	32	20	20	14	7	14	10
Somewhat acceptable	54	48	50	44	60	64	68	69	57	62
Somewhat unacceptable	19	21	18	16	13	10	9	14	24	22
Totally unacceptable	17	21	17	8	7	6	8	10	5	4
Not sure/Refused	*	*	*	—	—	—	—	—	—	2
____All acceptable	64	57	65	76	80	84	82	76	71	72
____All unacceptable	35	43	35	24	20	16	18	24	29	26

Spreading the increased costs uniformly through either taxes paid on health care premiums or substantially higher health insurance premiums is much less acceptable to those surveyed.

There is no agreement on the acceptability of *paying income tax on the health care premiums* paid by employers. Majorities but not overwhelming majorities of key committee staff members, federal regulators, physician leaders, major insurers, and state officials felt that this would be at least somewhat acceptable. On the other hand, majorities of corporate executives, union leaders, and hospital CEOs felt that this was unacceptable.

TABLE 3-8

Acceptability of—Taxing Insurance Premiums

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Paying income tax on health care premiums paid by employers....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	7	7	8	28	13	6	5	7	10	12
Somewhat acceptable	38	34	41	32	53	20	57	40	48	46
Somewhat unacceptable	27	26	33	36	27	24	24	28	24	32
Totally unacceptable	27	33	16	4	7	50	13	25	19	8
Not sure/Refused	1	1	2	—	—	—	—	—	—	2
____All acceptable	45	40	49	60	67	26	63	47	57	58
____All unacceptable	54	59	49	40	33	74	37	53	43	40

Opinions are also divided on the acceptability of having to pay *substantially higher health insurance premiums.* Modest majorities of key committee staff, physician leaders, hospital CEOs, and major insurers found this at least somewhat acceptable. Majorities of corporate executives, federal legislators, federal regulators, union leaders, and state officials felt that this was unacceptable.

TABLE 3-9

Acceptability of—Higher Premiums

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to pay substantially more for your health insurance premiums....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	4	3	4	12	—	2	6	3	24	6
Somewhat acceptable	40	35	41	48	47	36	56	49	33	38
Somewhat unacceptable	33	32	43	24	47	30	27	33	29	44
Totally unacceptable	23	30	12	16	7	32	11	15	14	10
Not sure/Refused	*	1	—	—	—	—	—	—	—	2
____All acceptable	43	38	45	60	47	38	62	52	57	44
____All unacceptable	56	62	55	40	53	62	38	48	43	54

Some aspects of managed care and some cost containment policies are generally viewed as acceptable elements of a changed health care system, while others do not currently have a consensus.

Majorities, varying from 56% to 86%, of most of the groups surveyed feel that it would be acceptable to pay substantially higher out-of-pocket costs for health care services used. However, federal legislators were equally divided (49%-50% on this) and most union leaders found this increased cost-sharing unacceptable. Whereas most large and medium sized employers found increased cost-sharing acceptable, most employers with 25 or fewer employees disagreed.

TABLE 3-10A

Acceptability of—Increased Cost-Sharing

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to pay out-of-pocket a substantially higher proportion of the cost of the health services used....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	11	9	10	12	7	—	17	11	48	12
Somewhat acceptable	48	46	38	48	67	32	63	57	38	56
Somewhat unacceptable	27	27	39	20	27	28	16	25	14	22
Totally unacceptable	14	17	11	20	—	40	3	8	—	6
Not sure/Refused	*	*	1	—	—	—	—	—	—	4
____All acceptable	59	56	49	60	73	32	80	68	86	68
____All unacceptable	41	44	50	40	27	68	20	32	14	28

TABLE 3-10B

Acceptability (to Corporations) of—Increased Cost-Sharing

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to pay out-of-pocket a substantially higher proportion of the cost of the health services used....

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	9	19	12	8	6	5	11	10	8	9
Somewhat acceptable	46	53	56	45	48	35	45	48	48	45
Somewhat unacceptable	27	23	25	29	29	31	26	27	27	30
Totally unacceptable	17	7	7	18	18	29	18	15	16	16
Not sure/Refused	*	—	1	*	*	—	*	—	*	*
____All acceptable	56	71	68	53	53	41	56	58	56	53
____All unacceptable	44	29	32	47	46	59	44	42	44	46

Majorities of all groups feel it would be acceptable to have *to join a managed care plan* such as an HMO. Eighty percent or more of union leaders, major insurers, and state officials feel this would be acceptable. Physician leaders, however, are almost equally divided, with only 52% finding this proposal acceptable. Large employers are also much more receptive to this managed care proposal than are small employers.

TABLE 3-11A

Acceptability of—Having to Join Managed Care Plan

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to obtain care as a member of a managed care plan such as an HMO....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	21	21	21	32	13	26	10	20	43	40
Somewhat acceptable	51	52	55	28	60	54	42	53	38	54
Somewhat unacceptable	17	16	18	28	27	12	27	18	19	2
Totally unacceptable	9	9	5	12	—	8	20	8	—	4
Not sure/Refused	2	3	*	—	—	—	—	1	—	—
____All acceptable	72	73	77	60	73	80	52	74	81	94
____All unacceptable	26	25	23	40	27	26	48	25	19	6

TABLE 3-11B

Acceptability (to Corporations) of—Having to Join Managed Care Plan

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to obtain care as a member of a managed care plan such as an HMO....

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	21	33	24	18	20	14	24	22	16	23
Somewhat acceptable	52	51	56	52	52	49	51	48	54	55
Somewhat unacceptable	16	9	13	20	17	18	14	17	17	14
Totally unacceptable	9	8	8	8	8	13	10	10	9	6
Not sure/Refused	3	—	—	2	3	6	2	3	4	2
____All acceptable	73	84	80	69	72	63	74	70	70	78
____All unacceptable	25	16	20	28	25	31	24	27	26	20

Obtaining *the prior approval of primary care doctors for specialty care* is one of the most acceptable proposals on this list. Very large majorities of all of the groups surveyed say that it would be acceptable to have to obtain the prior approval of a primary care doctor before seeing a specialist for non-emergency care. Union leaders and the managers of small companies are the most likely to disagree, but large majorities even of them find the proposal acceptable.

TABLE 3-12A

Acceptability of—Prior Approval of Primary Care Physicians for Specialty Care

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to obtain prior approval of a primary care doctor in order to see a specialist for non-emergency care....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	40	45	31	36	40	30	25	39	76	52
Somewhat acceptable	40	39	47	40	47	42	39	41	19	42
Somewhat unacceptable	12	9	18	12	7	18	17	13	—	4
Totally unacceptable	8	7	4	12	7	10	18	6	5	2
Not sure/Refused	*	*	*	—	—	—	—	*	—	—
____All acceptable	81	84	78	76	87	72	65	81	95	94
____All unacceptable	19	16	22	24	13	28	35	19	5	6

TABLE 3-12B

Acceptability (to Corporations) of—Prior Approval of Primary Care Physicians for Specialty Care

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to obtain prior approval of a primary care doctor in order to see a specialist for non-emergency care....

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	45	60	52	47	40	31	44	46	39	53
Somewhat acceptable	39	34	37	36	43	44	39	38	41	37
Somewhat unacceptable	9	4	8	11	10	12	8	11	13	4
Totally unacceptable	7	3	3	6	8	13	8	5	8	6
Not sure/Refused	*	—	1	—	—	—	—	*	—	—
____All acceptable	84	94	89	83	83	75	83	84	79	91
____All unacceptable	16	7	11	17	17	25	17	16	21	9

Belonging to *a health plan that limits members to the most cost-effective providers* and excludes those who are not cost-effective is acceptable to large majorities of all groups except physician leaders for whom it is acceptable to a 56% majority. Here again this is a proposal which is much more acceptable to the largest companies than it is to smaller ones. Only 54% of the smallest companies say this would be acceptable.

TABLE 3-13A

Acceptability of—Plans Limited to Cost-Effective Providers

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Being a member of a health plan that limits members to the most cost-effective providers, and excludes those who are not cost-effective....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	27	29	27	36	47	26	10	27	57	28
Somewhat acceptable	42	40	43	36	33	48	46	45	38	46
Somewhat unacceptable	19	17	22	20	7	18	34	18	5	16
Totally unacceptable	11	13	8	8	13	6	10	10	—	10
Not sure/Refused	*	*	—	—	—	2	—	—	—	—
____All acceptable	70	70	70	72	80	74	56	73	95	74
____All unacceptable	30	30	30	28	20	24	44	27	5	26

TABLE 3-13B

Acceptability (to Corporations) of—Plans Limited to Cost-Effective Providers

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Being a member of a health plan that limits members to the most cost-effective providers, and excludes those who are not cost-effective....

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	29	49	38	30	21	17	27	32	29	31
Somewhat acceptable	40	36	47	37	46	37	43	41	36	43
Somewhat unacceptable	17	11	8	17	19	26	18	14	21	14
Totally unacceptable	13	5	8	15	14	20	13	13	13	12
Not sure/Refused	*	—	—	*	—	1	—	—	1	*
____All acceptable	70	85	84	67	67	54	69	73	65	73
____All unacceptable	30	16	16	32	33	45	31	27	34	26

Changes to the system which involve longer waits for services, and expensive procedures and treatments which are not covered do not now have a consensus.

Reactions to the idea of *having to wait several months for non-emergency elective surgery* are mixed. Modest majorities of corporate executives, key committee staff, federal regulators, hospital CEOs, and state officials say this would be at least somewhat acceptable. On the other hand, majorities of federal legislators, physician leaders, and major insurers think this is an unacceptable policy.

TABLE 3-14

Acceptability of—Waiting for Elective Surgery

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to wait several months for non-emergency elective sergery....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	13	15	9	12	7	14	14	10	10	10
Somewhat acceptable	41	43	35	44	53	36	28	46	33	58
Somewhat unacceptable	24	21	36	20	33	22	24	25	38	20
Totally unacceptable	21	21	20	24	7	28	33	18	19	12
Not sure/Refused	*	*	1	—	—	—	—	—	—	—
____All acceptable	54	58	43	56	60	50	42	57	43	68
____All unacceptable	46	42	56	44	40	50	58	43	57	32

Being a member of a *health plan which does not cover some expensive procedures and treatments* is another concept on which there is no consensus. Majorities of seven of the nine groups, but not large majorities, find this idea acceptable. On the other hand, a substantial 74% of union leaders find it unacceptable, and the employers surveyed are almost equally split on whether or not this is acceptable.

TABLE 3-15

Acceptability of—Plans not Covering Some Expensive Treatments

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Being a member of a health plan which does not cover some expensive procedures and treatments....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	9	8	14	4	13	6	9	9	24	8
Somewhat acceptable	43	41	48	52	53	20	44	47	43	60
Somewhat unacceptable	30	30	28	28	20	50	24	31	24	26
Totally unacceptable	17	20	10	16	13	24	21	14	10	6
Not sure/Refused	1	1	1	—	—	—	1	—	—	—
____All acceptable	52	49	62	56	67	26	54	55	67	68
____All unacceptable	47	50	37	44	33	74	45	45	33	32

Accepting *limits on the right to sue for medical malpractice* is one of the most popular alternatives, with large majorities of all groups finding it acceptable. The highest proportion not appearing to favor this proposal is the 26% of federal regulators who say that it is unacceptable.

TABLE 3-16

Acceptability of—Limitations on Right to Sue for Malpractice

Q.D1—Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable.

....Having to accept limits on the right to sue for medical malpractice....

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Totally acceptable	47	47	33	48	20	28	56	59	67	44
Somewhat acceptable	37	35	41	36	60	52	36	32	29	46
Somewhat unacceptable	9	8	16	12	20	10	4	5	5	4
Totally unacceptable	7	8	10	4	—	10	4	4	—	6
Not sure/Refused	*	1	*	—	—	—	—	*	—	—
____All acceptable	84	83	74	84	80	80	92	91	95	90
____All unacceptable	16	17	26	16	20	20	8	9	5	10

Observation:

Care must be taken to consider these findings in the appropriate context. The proportions saying that the proposed policy was acceptable did so only after being read a preamble which included the words "If it were part of a program where each group would make some concessions in order to reach a consensus." *The results do not show the proportions of each group who favor or oppose the proposals but rather the proportions who would be willing to accept them as part of a broad agreement among all the interest groups involved. Furthermore, the nature of the concessions to be made by other interests were not specified. Attempts to implement these proposals individually, without other benefits to the health care system and other concessions by all parties, are likely to meet more resistance than the answers to each individual question indicate.*

Cost shifting is a topic of increased concern among health care payers, particularly those involved with private sector health plans. Only relatively small minorities think that nothing needs to be done to reduce cost shifting. Majorities of eight of the groups and half of the union leaders believe that cost shifting from one third party payer to another should be discouraged through incentives and many others believe it should be prohibited.

TABLE 3-17

Attitudes to Different Approaches to Cost Shifting

Q.A5—Many analysts believe that attempts to contain health care costs have resulted in cost shifting from one third party payer to another rather than a reduction in overall costs. Should such practices be prohibited, or discouraged through incentives, or should they be left alone?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Should be prohibited	17	19	9	4	7	24	23	8	24	18
Should be discouraged through incentives	60	56	74	68	60	50	65	63	52	68
Should be left alone	19	20	12	24	27	20	10	25	19	10
Not sure/Refused	4	4	5	4	7	6	2	4	5	4

Observation:

The "incentives" which might be used to discourage cost shifting were not defined.

PART II: TRADE-OFFS AND CHOICES

Chapter 4: Trade-Offs for Hospitals

Table 4-1 shows the acceptability of eight proposals to hospital CEOs. Here again the proposals are presented in the context of a total plan in which everyone made some concessions. Five of the proposals are at least somewhat acceptable to majorities of hospital CEOs in this context. Three are acceptable to 64% or more of them:

—Closing more underused hospitals,

—Having tougher constraints on capital expenditures, and

—Being required to accept and treat all patients even if reimbursement is below cost.

Two proposals are at least somewhat acceptable to slender 53% majorities of hospital CEOs but are opposed by very substantial minorities:

—Having to operate within predetermined global budgets,

and

—Operating under a uniform one-payer system with prospective payment fees for all health plans, public and private.

Three proposals—all of which affect long-term financing—are overwhelmingly unacceptable even in the context of a plan in which everyone else was making concessions. These are:

—The loss of tax-exempt status,

—The loss of the ability to float tax-free bonds, and

—The loss of separate Medicare reimbursement for capital expenses.

TABLE 4-1

Acceptability of 8 Proposals to Hospital CEOs

Q.D2—Next, let's consider trade-offs affecting hospitals. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions? Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

Base: "Hospital CEOs"

	TOTALLY ACCEPTABLE	SOMEWHAT ACCEPTABLE	SOMEWHAT UNACCEPTABLE	TOTALLY UNACCEPTABLE	NOT SURE
	%	%	%	%	%
Close more underused hospitals	20	56	18	6	—
Have tougher constraints on capital expenditures	15	53	24	8	*
Be required to accept and treat all patients even if reimbursement is below cost	27	37	22	14	—
Have to operate within predetermined global budgets	8	45	23	23	1
Operate under a uniform one-payer system with prospective payment fees for all health plans, public and private	10	43	25	22	1
Lose tax-exempt status	8	18	20	52	2
Lose the ability to float tax-free bonds	5	19	29	46	1
Lose the separate Medicare reimbursement for capital expenses	2	18	37	40	2

One way of gaining the support of any particular interest group for changes which are to their disadvantage is to give them something they would like to have in exchange. Table 4-2 shows the acceptability to hospital CEOs of four proposals if, in return, they could realistically expect a generally high level of occupancy of their beds and more predictable reimbursement. In this context, a sizable 62%-37% majority would accept stricter limits on capital spending on new capacity, and stricter limits on spending on expensive new technologies. Much smaller majorities (53% and 51% respectively) would also accept a significant reduction in the number of beds in their hospitals or a significant reduction in the revenues per bed day.

TABLE 4-2

Acceptability to Hospital CEOs of 4 Proposals in Return for High Occupancy Levels

Q.D16—Please say for each of the following if you would accept it as part of the reform of the health care system if through regional planning you could realistically expect a generally high level of occupancy of your beds and more predictable reimbursement.

Base: "Hospital CEOs"

	WOULD ACCEPT	WOULD NOT ACCEPT	NOT SURE
	%	%	%
Stricter limits on capital spending on new capacity	62	37	2
Stricter limits on spending on expensive new technologies	62	37	*
A significant reduction in the revenues per bed day	51	47	2
A significant reduction in the number of beds in the hospital	53	45	1

The great majority of hospital CEOs (77%) report it would be acceptable to reduce the number of hospitals in areas with low occupancy rates if this resulted in a significant increase in occupancy in the remaining area hospitals.

TABLE 4-3

Acceptability to Hospital CEOs of Closing Hospitals in Areas with Low Occupancy Rates

Q.D17—In general, do you feel it would be acceptable or unacceptable to reduce the total number of hospitals in areas with low occupancy rates if this resulted in a significant increase in occupancy for the remaining area hospitals?

Base: "Hospital CEOs"

	HOSPITAL CEOs
	%
Base:	251
Acceptable	77
Unacceptable	22
Not sure/Refused	1

Observation:

These data suggest that hospital CEOs may be willing to sacrifice growth for long-term stability for their hospitals and within their market areas.

Presumably the answers would have been different had we asked about closing their own hospitals.

Chapter 5: Trade-offs for Businesses

Tables 5-1 through 5-7 show the acceptability to corporate executives of a number of proposals affecting corporate employers. As in Chapter 4, it is important to note that acceptability is strictly within the context of all interest groups making concessions as part of a total plan. Reactions of employers to the different proposals vary sharply.

Among the more acceptable proposals are requirements for a basic health plan for all full-time employees, and limitation to a standardized health plan.

A substantial majority of all employers (72%) say that it would be acceptable if, as part of a total plan, they were *required by law to provide a basic health insurance benefit for all full-time employees and dependents.* This concept is somewhat more acceptable to large employers than to small employers and is somewhat more acceptable in the East of the country than it is in other regions. However, not less than 65% of all of the different corporate segments say that this would be acceptable.

TABLE 5-1

Acceptability (to Corporations) of Mandated Coverage of Full-Time Employees

Q.D3—Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

....Be required by law to provide a basic health insurance benefit for all full-time employees and dependents....

Base: "Corporate Executives"

	CORPORATE EXECUTIVES									
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	33	39	36	35	26	30	39	32	28	32
Somewhat acceptable	40	39	43	40	41	35	41	40	41	36
Somewhat unacceptable	13	14	10	12	15	13	10	13	13	15
Totally unacceptable	15	8	12	13	17	21	9	15	18	17
Not sure/Refused	*	1	—	—	1	—	—	*	*	1
____All acceptable	72	78	79	76	67	65	80	72	69	68
____All unacceptable	27	22	22	24	32	35	20	28	31	32

By 69%-30% most employers say that in the event that they were required by law to provide coverage, it would be acceptable if they were *limited by law to providing only a standard health plan which would be the same for every employer and every employee.* However, this concept of a uniform mandated benefit plan is somewhat less acceptable to the larger employers than it is to smaller employers.

TABLE 5-2

Acceptability (to Corporations) of Uniform Mandated Plan with Same Benefits and Costs for All Employers and Employees

Q.D3—Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

....If required to provide coverage, be limited by law to providing only a standard health plan which would be the same for every employer and every employee....

Base: "Corporate Executives"

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	18	18	11	18	20	21	17	18	17	22
Somewhat acceptable	51	43	52	49	57	55	54	50	55	44
Somewhat unacceptable	17	22	19	20	13	12	15	17	18	17
Totally unacceptable	14	18	19	12	10	12	14	15	10	16
Not sure/ Refused	*	—	—	*	*	1	*	*	—	1
____All acceptable	69	61	63	67	77	76	71	68	72	66
____All unacceptable	30	40	37	33	23	23	29	32	28	33

Observation:

In Chapter Three, we noted that most employers would prefer a system with either a limited number or a large number of different plans. The far greater proportion of employers who would accept a legal limitation to one uniform *plan reflects the impact of putting reform into the context of a broader consensus.*

Premiums based on community ratings and paying for benefits for retirees not eligible for Medicare are acceptable to smaller but still substantial majorities of employers.

The use of insurance premiums based on *community rating* rather than experience rating is acceptable in this context to a 61% majority of corporate employers. This proposal is also somewhat more acceptable to small employers than it is to large employers (many of whom would presumably have to pay higher rates if they were not experience rated).

TABLE 5-3

Acceptability (to Corporations) of Community Rating

Q.D3—Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

....Pay health insurance premiums based on a community rate—rather than the experience of your own group....

Base: "Corporate Executives"

	TOTAL CORPORATE SAMPLE	CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
		10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	18	16	11	22	20	18	18	18	14	21
Somewhat acceptable	43	37	40	44	48	46	45	40	43	45
Somewhat unacceptable	21	30	28	18	19	14	19	22	23	18
Totally unacceptable	17	18	20	16	12	20	15	19	19	13
Not sure/Refused	1	1	1	1	2	2	2	*	1	3
____All acceptable	61	52	51	66	68	64	64	59	57	66
____All unacceptable	38	48	48	34	31	34	35	41	42	31

Observation:

Perhaps the most striking finding here is that as many as 52% of corporate executives in the largest companies find community rating acceptable.

By 62%-37% a majority of corporate employers say that it would be acceptable as part of a total plan if they were *required to provide health insurance benefits to retirees not eligible for Medicare*. This proposal is somewhat more acceptable to large employers (many of whom already provide retiree health benefits) than it is to smaller employers, even though a majority of the latter find it acceptable.

TABLE 5-4

Acceptability (to Corporations) of Mandated Retiree Benefits

Q.D3--Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

....Be required to provide health insurance benefits to retirees not eligible for Medicare....

Base: "Corporate Executives"

	TOTAL CORPORATE SAMPLE	CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
		10,000 OR MORE	1,000-9,999	100-999	25-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	16	16	13	17	17	19	20	15	16	13
Somewhat acceptable	45	47	47	51	47	36	49	42	44	46
Somewhat unacceptable	21	22	26	20	18	18	19	25	19	19
Totally unacceptable	17	16	15	11	16	25	11	18	20	19
Not sure/Refused	1	—	—	*	2	1	1	—	1	3
____All acceptable	62	63	60	68	64	55	69	58	60	59
____All unacceptable	37	37	41	32	34	44	30	42	40	38

Paying health benefits for part-time employees and paying a payroll tax to support the uninsured is acceptable to only a minority of employers.

Only a 44% minority of corporate employers would find it acceptable if they were *required by law to provide a basic health insurance benefit for all part-time employees who work at least 20 hours a week and for their dependents*. This proposal is acceptable to a modest majority of companies with 10,000 or more employees and to employers in the East. As company size decreases this proposal becomes increasingly unacceptable, with a plurality of the smallest companies saying that this is totally unacceptable.

TABLE 5-5

Acceptability (to Corporations) of Mandated Coverage for Part-Time Employees

Q.D3—Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

....All part-time employees who work at least 20 hours a week and for their dependents....

Base: "Corporate Executives"

	CORPORATE EXECUTIVES									
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	9	14	7	7	8	11	12	8	7	10
Somewhat acceptable	35	38	38	40	34	26	39	34	31	35
Somewhat unacceptable	25	30	29	20	26	22	24	26	25	23
Totally unacceptable	31	19	27	32	32	41	25	32	36	31
Not sure/Refused	*	1	1	—	*	—	—	*	—	1
____All acceptable	44	52	45	47	42	37	51	41	39	45
____All unacceptable	56	48	55	53	58	63	49	58	61	54

Another proposal which is generally unacceptable to most employers is the suggestion that they should *pay a payroll tax to support the cost of insuring the unemployed and their dependents*. This is rejected by a 63%-36% majority of corporate executives.

TABLE 5-6

Acceptability (to Corporations) of Payroll Tax to Cover Unemployed

Q.D3—Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

....Pay a payroll tax to support the cost of insuring the unemployed and their dependents....

Base: "Corporate Executives"

	CORPORATE EXECUTIVES									
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Totally acceptable	5	7	4	4	4	5	6	5	4	5
Somewhat acceptable	32	36	34	31	32	28	34	29	32	32
Somewhat unacceptable	30	32	33	32	26	26	36	29	24	31
Totally unacceptable	34	26	29	33	37	40	25	38	40	32
Not sure/Refused	*	—	—	*	1	1	*	—	1	1
____All acceptable	36	42	38	35	36	33	39	33	36	36
____All unacceptable	63	58	62	65	64	67	60	67	63	63

The data from Tables 5-1 through 5-6 are summarized (for all corporations without the separate analyses by size of company and region) on Table 5-7.

TABLE 5-7

Acceptability of 6 Proposals to Corporations

Q.D3—Next, let's consider trade-offs affecting all employers. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

Base: "Corporate Executives"

	TOTALLY ACCEPTABLE %	SOMEWHAT ACCEPTABLE %	SOMEWHAT UNACCEPTABLE %	TOTALLY UNACCEPTABLE %	NOT SURE %
Be required by law to provide a basic health insurance benefit for all full-time employees and dependents	33	40	13	15	*
If required to provide coverage, be limited by law to providing only a standard health plan which would be the same for every employer and every employee	18	51	17	14	*
Pay health insurance premiums based on a community rate—rather than the experience of your own group	18	43	21	17	1
Be required to provide health insurance benefits to retirees not eligible for Medicare	16	45	21	17	1
Be required by law to provide a basic health insurance benefit for all part-time employees who work at least 20 hours a week and for their dependents	9	35	25	31	*
Pay a payroll tax to support the cost of insuring the unemployed and their dependents	5	32	30	34	*

The strength of the corporate executives' opposition to the whole idea of a national health insurance system is clearly illustrated in their replies to two questions about it. By three to one they say that if it was the only way to *prevent* the introduction of a national health insurance system, they would be willing to have a much more aggressively managed health care plan with less freedom of choice and much higher cost sharing for their employees. In general, larger companies, which have had more experience with managed care, are more willing to do this than are smaller companies.

TABLE 5-8

Willingness of Corporations—if National Health Insurance is Only Other Option—to Introduce Aggressively Managed Care Plans

Q.D6—If the only way to prevent the introduction of a national health insurance system was for employers to introduce much more aggressively managed care plans with less freedom of choice for employees and much higher cost-sharing, how willing would you be to introduce such a plan for all your employees—very willing, somewhat willing, not very willing, or not at all willing?

Base: "Corporate Executives"

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
Base:	1175	200	200	250	250	275	308	311	334	222
Very willing	24	39	32	23	15	15	22	21	25	27
Somewhat willing	51	44	51	48	60	50	53	54	50	44
Not very willing	16	13	12	21	17	17	16	16	14	20
Not at all willing	8	5	5	8	6	16	8	8	10	7
Not sure/Refused	1	—	—	*	2	1	*	1	*	2
____All willing	74	83	83	70	76	65	75	75	76	70
____All not willing	25	18	17	29	23	33	24	24	24	27

Even when corporate executives are asked, if, in a few year's time, it is clear that private sector managed care plans are not sufficiently containing health care costs, only a slender 53% majority of the corporate employers surveyed say they would be willing to accept a government mandated and controlled national health insurance system. However, under the circumstances a somewhat larger proportion (58%-60%) of smaller employers with fewer than 100 employees would be willing to accept a national health insurance plan, presumably as the lesser of two evils. Among larger companies modest majorities would be unwilling to accept national health insurance. (See Table 5-9.)

TABLE 5-9

Willingness of Corporations to Accept National Health Insurance if Private Sector Fails to Contain Costs

Q.D7—If, in a few years' time, it seems clear to you that private sector managed care plans are not sufficiently containing health care costs, how willing would you be to accept a government mandated and controlled national health insurance system—very willing, somewhat willing, not very willing, or not at all willing?

Base: "Corporate Executives"

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Very willing	15	16	11	15	14	19	21	14	12	14
Somewhat willing	38	32	31	39	44	41	36	39	39	38
Not very willing	27	28	31	27	26	23	29	27	24	28
Not at all willing	19	24	27	18	15	17	14	21	24	20
Not sure/Refused	*	—	1	1	1	—	—	*	1	—
____All willing	53	48	42	54	58	60	57	52	51	52
____All not willing	46	52	58	45	41	40	43	47	48	48

By a modest 51%-38% majority most of the corporate employers surveyed say they would not be willing to take a strike in order to win some changes in their health plans to contain costs. Analysis by size shows that only among the largest companies, with 10,000 or more employees, is there a bare majority who would be willing to take a strike under these circumstances.

TABLE 5-10

Willingness of Corporations to Take a Strike to Win Cost Containment Changes in Health Plans

Q.D8—How willing would your company be to take a strike in order to win some changes in your health plan to contain costs—very willing, somewhat willing, not very willing, or not at all willing?

Base: "Corporate Executives"

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
Very willing	12	18	13	15	9	9	11	16	10	12
Somewhat willing	26	35	24	22	21	28	28	24	24	28
Not very willing	25	19	26	22	32	24	27	26	21	24
Not at all willing	27	16	24	33	28	31	25	23	33	26
Not applicable/non-union	7	12	9	5	7	5	7	8	9	5
Not sure/Refused	3	2	6	4	3	3	3	2	3	5
____All willing	38	52	37	37	30	37	39	40	34	41
____All not willing	51	35	49	54	60	55	51	50	54	50

Chapter 6: Trade-Offs for Unions

Table 6-1 shows the acceptability of four proposals to union leaders, again in the context of a total plan in which everyone makes concessions. Two of the proposals are acceptable to most union leaders and two are unacceptable. The proposals which are generally acceptable are:

—Being limited by law to a standard health plan which would be the same for every employer and every employee, and

—Being required to belong to managed care plans, such as HMOs or other health plans using limited panels of doctors, hospitals, and other providers.

The two proposals which are unacceptable are:

—Being required to pay higher deductibles and co-payments, and

— Accepting a cap on employer-provided health care benefits that are tax-free to their members.

TABLE 6-1

Acceptability of 4 Proposals to Union Leaders

Q.D4—Next, let's consider trade-offs affecting all union members. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

Base: "Union leaders"

	TOTALLY ACCEPTABLE	SOMEWHAT ACCEPTABLE	SOMEWHAT UNACCEPTABLE	TOTALLY UNACCEPTABLE	NOT SURE
	%	%	%	%	%
Be limited by law to a standard health plan which would be the same for every employer and every employee	30	42	14	14	—
Be required to belong to managed care plans, such as HMOs or other health plans using limited panels of doctors, hospitals, and other providers	10	66	8	16	—
Be required to pay higher deductibles and co-payments for health care	6	30	26	36	2
Accept a cap on employer-provided health care benefits that are tax-free to your members	6	28	28	36	2

The great majority of union leaders surveyed say they would be willing to enter into cooperative ventures with management to contain health care costs through tightly managed care plans if the savings would be used for wage increases or to improve the competitiveness of the company in order to save jobs, or if the savings were shared equally between wage increases and job saving.

TABLE 6-2

Willingness of Union Leaders to Work with Management to Contain Costs if Saving Would be Used in 3 Ways

Q.D13—Would you be willing to enter into cooperative ventures with management to contain health care costs through tightly managed care if the savings would be used for....?

Base: "Union leaders"

	YES, WOULD BE WILLING %	NO, WOULDN'T BE WILLING %	NOT SURE %
Wage increases	88	6	6
Improved competitiveness to save jobs	74	10	16
Shared equally between the two	74	16	10

Observation:

Union leaders stand out in many of the previous tables as having profoundly different attitudes to changes in health plans and the health care system than do the other groups surveyed. As advocates for their members they tend to be very protective of what they see as their members' interests. It is interesting to note here, therefore, how many of them are willing to negotiate with management to contain health care costs if the savings would be used for other purposes which would benefit their members.

A series of questions asked only of union leaders indicates the importance to them of protecting the health benefits of their members.

—By 80% to 4%, they say that maintaining full health benefits is more important than obtaining significant wage increases.

—By 72% to 12%, they say they would be willing to strike in order to prevent changes in their health plans which would substantially reduce their members' benefits.

TABLE 6-3

The Relative Importance of Wages and Health Benefits

Q.D9—Which is more important to your union, significant increases in wages or maintaining your full health benefits?

Base: "Union leaders"

	UNION LEADERS
	%
Base:	50
Significant wage increases	4
Maintaining full health benefits	80
Not sure/Refused	16

TABLE 6-4

Willingness to Strike to Prevent Reductions in Health Benefits

Q.D12—Would you be willing to strike in order to prevent changes in your health plan which would substantially reduce your health insurance benefits, or not?

Base: "Union leaders"

	UNION LEADERS
	%
Base:	50
Yes, would strike	72
No, would not strike	12
Not sure/Refused	16

However, in reply to another question union leaders show much more flexibility. By 54% to 36% they say they would be willing to negotiate increases in cost-sharing for their members through increased deductibles and co-payments if the employer agreed to comparable pay increases.

At the same time, however, by 60% to 28% union leaders say they would not be willing to negotiate a reduction in their members' wages in return for maintaining their full health benefits with no increase in cost-sharing.

TABLE 6-5

Willingness to Negotiate Cost-Sharing with Wage Increases

Q.D10—Would you be willing to negotiate an increase in cost-sharing for your members through increased deductibles and co-payments if the employer agreed to a comparable pay increase?

Base: "Union leaders"

	UNION LEADERS %
Base:	50
Would negotiate	54
Would not negotiate	36
Not sure/Refused	10

TABLE 6-6

Willingness to Negotiate Reduced Wages with No Increase in Cost-Sharing

Q.D11—Would you be willing to negotiate a reduction in your members' wages if the employer maintained their full health benefits with no increase in cost-sharing?

Base: "Union leaders"

	UNION LEADERS %
Base:	50
Would negotiate	28
Would not negotiate	60
Not sure/Refused	12

Chapter 7: Trade-Offs for Physicians

Table 7-1 shows the acceptability of ten proposals to physician leaders, again in the context of a total plan in which everyone made some concessions.

While none of the proposals are acceptable to more than 67% of physician leaders, four of them are acceptable to majorities of 55% or more. These are:

—Having somewhat lower incomes for specialists (as will happen under the resource-based relative value scales for Medicare).

—Being compensated on a fee-for-service basis but entirely from a fixed budget with an expenditure cap.

—Being required to generally follow practice guidelines on how to treat different conditions.

—Requiring patients to obtain the prior approval of a primary care physician in order to see specialists for non-emergency care.

Observation:

The willingness of modest majorities of physician leaders to accept all of these proposals is interesting in that it differs markedly from the positions taken publicly by some leaders of medical organizations. In particular, there has been much opposition expressed by rank and file physicians to the idea of expenditure caps (which are used in some other countries to contain medical costs) and to the use of practice guidelines (which are often viewed as limiting physician autonomy).

Six of the proposals were unacceptable to majorities of physician leaders. The most unacceptable proposal (totally unacceptable to 58% and somewhat unacceptable to 21%) was to be compensated on a purely salaried basis.

Also unacceptable to more than 60% was the option of being compensated on a capitated basis or having a uniform national fee schedule for specific services for all health plans, with no balance billing.

The other proposals which were unacceptable to smaller majorities of physician leaders were:

—Being compensated partly on some measure of patient satisfaction.

—Being prohibited from the ownership of a laboratory, pharmacy or rehabilitation center.

—Being placed at financial risk for part of the cost of care provided.

TABLE 7-1

Acceptability of 10 Proposals to Physician Leaders of Medical Societies

Q.D5—Next, let's consider trade-offs affecting doctors. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions? Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

Base: "Physician leaders"

	TOTALLY ACCEPTABLE	SOMEWHAT ACCEPTABLE	SOMEWHAT UNACCEPTABLE	TOTALLY UNACCEPTABLE	NOT SURE
	%	%	%	%	%
Have somewhat lower incomes for specialists	17	42	21	19	*
Be compensated on a fee-for-service basis—but entirely from a fixed budget with an expenditure cap	6	49	29	15	—
Be required to generally follow practice guidelines on how to treat different conditions	12	55	18	14	—
Require patients to obtain the prior approval of a primary care doctor in order to see specialists for non-emergency care	14	49	27	9	—
Be placed at financial risk for part of the cost of care doctors provide	3	38	39	19	1
Be prohibited from ownership of a laboratory, pharmacy or rehabilitation center	9	32	43	16	*
Be compensated partly on some measure of patient satisfaction	5	36	29	29	—
Have a uniform national fee schedule for specific services for all health plans, public and private, with no balance billing	7	30	22	41	—
Be compensated only on a capitated (fee per patient/member) basis	4	29	39	27	*
Be compensated on a purely salaried basis	5	16	21	58	—

Very large majorities of physician leaders would be willing to trade a 10% reduction in physician fees in return for any one of the following:

—A very substantial reduction in paperwork.

—Malpractice reform with limits on punitive damages and damages for pain and suffering.

—Substantially increased physician autonomy with less utilization review and less regulation.

TABLE 7-2

Willingness of Physician Leaders to Accept 10% Reduction in Fee in Return for 3 Separate Benefits

Q.D14—I will read you some things which might be part of a reform of the health care system, and which would benefit many doctors. Please say for each whether you would be willing to accept a 10% reduction in your fees [or net income] in return for this change.

Base: "Physician leaders"

	WOULD ACCEPT 10% REDUCTION	WOULD NOT ACCEPT 10% REDUCTION	NOT SURE
	%	%	%
A very substantial reduction in your paperwork	89	3	8
Malpractice reform which puts limits on punitive damages and damages for pain and suffering	88	4	8
Substantially increased physician autonomy, with less utilization review and less regulation	81	10	9

Observation:

The massive size of these majorities (with very few physician leaders saying they would not accept them) is a clear indication of the high level of frustration (and expense?) among physicians associated with their reduced autonomy, paperwork loads, and medical malpractice.

If such large majorities of physician leaders are willing to accept a 10% reduction on any one of these, a substantial majority of physician leaders would probably also be willing to accept an even bigger reduction in fees for two, or three, of these proposed benefits.

The replies shown in Table 7-3 provide further indication of the overwhelming hostility of physicians to the concept of national health insurance. Fully 63% of most physician leaders say they would not be willing to accept a national health insurance system which required them to negotiate with the government for any changes in their income and fees *even* if it guaranteed payment of their fees, substantially reduced utilization review, reduced malpractice insurance premiums, and cut their paperwork. One-third (34%) say they would be not *at all* willing to accept such a trade-off.

TABLE 7-3

Willingness of Physician Leaders to Accept National Health Insurance in Return for 3 Benefits

Q.D15—How willing would you be to accept a national health insurance system if it guaranteed payment of your fees, substantially reduced utilization review, malpractice insurance premiums and your paperwork, but required you to negotiate with the government for any changes in your income and fees—very willing, somewhat willing, not very willing or not at all willing?

Base: "Physician leaders"

	PHYSICIAN LEADERS
	%
Base:	201
Very willing	3
Somewhat willing	34
Not very willing	28
Not at all willing	34
Not sure/Refused	—
____All willing	37
____All not willing	63

Chapter 8: Trade-Offs for Insurers

Table 8-1 shows the acceptability to the largest group health insurers of nine proposals affecting health insurance. As in the preceding chapters, it should be remembered that acceptability is defined in the context of a total plan in which everyone made concessions. Two of the proposals are overwhelmingly acceptable and three more are acceptable to majorities of various sizes. All five of these acceptable options are concerned, directly or indirectly, with the coverage of poor risks. Four of them involve some kind of reinsurance mechanism.

—Fully 94% would also be willing to accept a requirement that they participate in a reinsurance mechanism to spread excess health costs for small employers (47% find this totally acceptable).

—Fully 89% would be willing to accept the requirement to renew small group coverage regardless of claims experience if there is a reinsurance mechanism.

—Fully 85% would be willing to accept the requirement to issue health insurance to all individuals requesting it regardless of health status if there is a reinsurance mechanism.

A sizable if smaller majority (63%) would be willing to accept giving up their current underwriting practices (such as pre-existing conditions exclusions) for small groups if there is a reinsurance mechanism.

—Three-quarters of insurers (74%) would be willing to accept some form of community rating for all health insurance risks in the small case market.

Two other proposals were overwhelmingly unacceptable, with 58% or more of the insurers saying they were totally unacceptable. Large insurers would not be willing to accept government rate regulation of group health insurance for small employers. Nor would they be willing to function solely as administrators of a federally sponsored health plan.

Majorities, albeit smaller ones, would not be willing to accept somewhat lower long-range earnings, or to be subject to federal regulation for health insurance.

TABLE 8-1

Acceptability of 9 Proposals to Largest Group Health Insurers

Q.G2—Next, let's consider trade-offs affecting insurers. How acceptable would each of the following be to you as part of a total plan in which everyone made some concessions? Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

Base: "Answer/answering for group health"

	TOTALLY ACCEPTABLE	SOMEWHAT ACCEPTABLE	SOMEWHAT UNACCEPTABLE	TOTALLY UNACCEPTABLE	NOT SURE
	%	%	%	%	%
Be required to participate in a reinsurance mechanism to spread excess health costs for small employers	47	47	5	—	—
Be required to renew health insurance for all small groups regardless of claims experience if there is a reinsurance mechanism	42	47	11	—	—
Be required to issue health insurance to all individuals requesting it regardless of health status if there is a reinsurance mechanism	32	53	16	—	—
Operate on some form of community rating for all health insurance risks in the small case market	16	58	11	16	—
Give up current underwriting practices (such as pre-existing conditions exclusions) for small groups if there is a reinsurance mechanism	26	37	32	5	—
Accept somewhat lower long-range earnings on health insurance business	5	37	32	26	—
Be subject to federal regulation for health insurance	5	37	47	11	—
Function solely as an administrator of a federally sponsored health plan	—	26	11	63	—
Be subject to government rate regulation of group health insurance for small employers	- -	21	21	58	—

PART III: TRANSITION

Chapter 9: Roles and Responsibilities

Improving the health care system is widely perceived as a process in which many groups and interests should be involved. Majorities of most of the nine groups surveyed think that employers, the federal government, state governments, doctors' organizations, the hospital industry, and the health insurance industry should play a major role in improving the system. Much the lowest number in this table (Table 9-1) is the 27% of federal regulators who think that state governments should be involved in this process. Federal regulators are also less likely to think that the hospital industry and the health insurance industry should be involved.

TABLE 9-1

Who Should Play Major Roles in Improving the System

Q.E1—Which of the following do you think should play a major role in improving the health care system?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Employers	71	69	76	96	47	74	70	67	95	88
Federal government	65	59	82	92	80	88	59	68	95	88
State governments	53	45	70	92	27	68	54	60	90	84
Doctors' organizations	73	67	76	88	60	74	94	76	100	82
Hospital industry	69	62	73	88	47	72	76	90	95	82
Health insurance industry	67	62	77	92	47	66	68	67	100	82
Someone else	11	10	17	—	—	10	11	9	—	20
Nobody	*	*	1	—	—	—	—	—	—	—
Not sure/Refused	*	*	*	—	7	—	—	—	—	2

Observation: *A large majority of each group surveyed believes its own group should play a major role in improving the health care system.*

Improving the health care system has many different dimensions, particularly those relating to access, cost containment, and quality.

A majority of all groups surveyed except for physician leaders (and a plurality of them) believes that the federal government should have the principal responsibility for ensuring that everyone has reasonable *access* to care. (See Table 9-2.)

TABLE 9-2

Who Should Have Principal Responsibility for Ensuring Access

Q.E2a—In the future, who do you think should have the principal responsibility for—Making sure that everyone has reasonable access to care?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
Base:	2048	1175	260	25	15	50	201	251	21	50
Employers	10	13	8	8	—	6	5	5	19	4
Federal government	53	51	61	64	67	82	37	60	57	62
State government	12	12	11	—	—	4	16	12	—	18
Doctors' organizations	5	4	2	—	13	—	18	4	—	4
Hospital industry	4	5	1	—	—	—	*	9	—	—
Health insurance industry	7	7	6	12	—	—	8	5	14	—
Someone else	6	5	6	12	—	2	9	3	10	4
Nobody	1	1	1	—	7	2	2	*	—	4
Not sure/Refused	2	2	4	4	13	4	3	1	—	4

A plurality of all groups except for physician leaders and hospital CEOs and a majority of federal legislators, federal regulators, and union leaders think that the federal government should also have the principal responsibility for health care *cost containment*. Those who do not think that this should be a federal government responsibility are divided among those who think that employers, state governments, doctors' organizations, the hospital industry or the health insurance industry should play this role. There is a tendency for most groups to stress their own responsibility for health care cost containment.

TABLE 9-3

Who Should Have Principal Responsibility for Cost Containment

Q.E2b—In the future, who do you think should have the principal responsibility for—Health care cost containment?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
Base:	2048	1175	260	25	15	50	201	251	21	50
Employers	10	14	3	4	—	10	4	5	19	4
Federal government	37	37	53	36	60	68	19	26	33	44
State government	9	8	8	4	—	4	7	10	—	24
Doctors' organizations	10	9	4	20	13	6	33	4	—	6
Hospital industry	10	7	7	8	—	—	3	38	—	—
Health insurance industry	13	15	12	12	20	4	12	5	33	2
Someone else	4	4	5	8	—	—	8	4	10	2
Nobody	2	1	2	4	—	2	9	2	—	6
Not sure/Refused	3	2	5	4	7	4	3	3	5	12

There is a total absence of consensus as to who should have responsibility for *quality assurance*. The federal government and doctors' organizations are mentioned more than any other parties.

TABLE 9-4

Who Should Have Principal Responsibility for Quality Assurance

Q.E2c—In the future, who do you think should have the principal responsibility for—Assuring the quality of health care services?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Employers	3	5	*	—	—	2	*	1	10	—
Federal government	28	31	38	32	40	68	4	15	14	30
State government	9	8	13	8	13	10	2	7	—	38
Doctors' organizations	31	27	25	28	40	8	86	14	43	10
Hospital industry	16	14	9	12	—	6	1	51	5	2
Health insurance industry	7	9	5	—	—	—	1	2	14	2
Someone else	4	4	5	4	7	4	4	8	14	—
Nobody	1	*	1	8	—	—	*	*	—	6
Not sure/Refused	2	1	3	8	—	2	*	1	—	12

It seems likely that changes in the health care system, particularly any major changes in coverage or cost containment, will inevitably involve compromises by several, if not all, of the major interests involved, including those surveyed here. Tables 9-5 through 9-11 show how much it is thought that each of these interests should be willing to compromise in order to achieve health care reforms.

The responses show that very large majorities of all of the groups surveyed think that all of the different interests should be willing to compromise somewhat or a great deal. A second general finding is that each of the interest groups surveyed is somewhat less likely than are other groups to say that they should compromise "a great deal." Nonetheless, the most important conclusion is that very large majorities of corporate executives, union leaders, physician leaders, hospital CEOs, and insurers all believe that their own industries or organizations should be willing to compromise in order to achieve viable reforms. For example:

—All physician leaders believe that doctors should be willing to compromise (and 36% say a great deal).

—Ninety-eight percent of hospital CEOs say that hospitals should be willing to compromise (and 28% say a great deal).

—Ninety percent of corporate executives say that employers should be willing to compromise (20% say a great deal).

—A hundred percent of the insurers surveyed believe they should compromise (with 38% saying a great deal).

—Ninety-two percent of labor unions say they should compromise (24% say a great deal).

TABLE 9-5

How Much Doctors Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Doctors....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	48	52	39	40	53	56	36	45	67	40
Somewhat	49	45	57	52	47	36	64	53	29	58
Not much	2	2	2	4	—	2	—	*	—	—
Not at all	1	1	2	—	—	—	—	1	5	—
Not sure	*	*	—	4	—	6	*	—	—	2

TABLE 9-6

How Much Hospitals Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Hospitals, trustees, owners and managers....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	43	47	37	24	40	62	42	28	52	36
Somewhat	54	50	56	68	60	36	58	70	43	62
Not much	2	2	7	4	—	2	—	2	5	—
Not at all	*	1	1	—	—	—	—	*	—	—
Not sure	*	—	—	4	—	—	*	—	—	2

TABLE 9-7

How Much Consumers Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Consumers who use health care services....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	29	28	25	20	33	20	44	30	29	18
Somewhat	65	65	63	72	60	64	54	67	67	78
Not much	4	4	9	—	—	12	1	3	5	—
Not at all	2	2	2	4	7	2	1	—	—	2
Not sure	*	*	*	4	—	2	*	—	—	2

TABLE 9-8

How Much Taxpayers Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Taxpayers who pay for government-funded health programs....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	19	19	18	12	20	16	32	15	24	14
Somewhat	67	65	63	80	73	64	66	77	62	80
Not much	8	9	11	—	—	8	1	6	14	4
Not at all	5	6	7	4	7	6	*	2	—	—
Not sure	1	*	*	4	—	6	*	—	—	2

TABLE 9-9A

How Much Employers Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Employers....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	24	20	27	48	20	28	41	22	19	26
Somewhat	69	70	68	48	80	60	58	72	76	70
Not much	5	6	3	—	—	2	*	5	—	2
Not at all	2	3	2	—	—	—	—	*	5	—
Not sure	1	*	—	4	—	10	*	—	—	2

TABLE 9-9B

How Much Corporations Believe Employers Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Employers....should be willing to compromise, a great deal, somewhat, not much or not at all?

		CORPORATE EXECUTIVES								
		EMPLOYEES					REGION			
	TOTAL CORPORATE SAMPLE	10,000 OR MORE	1,000-9,999	100-999	26-99	6-25	EAST	MID-WEST	SOUTH	WEST
	%	%	%	%	%	%	%	%	%	%
Base:	1175	200	200	250	250	275	308	311	334	222
A great deal	20	25	21	20	20	16	23	19	19	19
Somewhat	70	69	73	71	70	69	69	71	70	72
Not much	6	5	4	6	6	9	6	7	6	5
Not at all	3	2	3	2	4	5	2	2	4	4
Not sure	*	—	—	*	1	*	—	*	1	*

TABLE 9-10

How Much Insurers Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Insurers....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	42	37	54	48	33	62	47	41	38	46
Somewhat	55	59	43	48	60	32	51	57	62	54
Not much	2	3	2	—	—	2	1	2	—	—
Not at all	1	1	*	—	7	—	*	—	—	—
Not sure	*	*	1	4	—	4	*	—	—	—

TABLE 9-11

How Much Labor Unions Should Compromise

Q.E3—Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think.... Labor unions....should be willing to compromise, a great deal, somewhat, not much or not at all?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
A great deal	41	41	40	40	27	24	47	46	48	28
Somewhat	54	53	53	52	60	68	52	52	48	70
Not much	3	3	5	4	7	—	—	2	5	—
Not at all	1	2	2	—	7	2	—	*	—	—
Not sure	1	2	1	4	—	6	*	—	—	2

Observation:

These findings suggest a strong sense of realism amongst all the interest groups surveyed with a recognition that compromise involves give and take by all parties involved, and a willingness to negotiate away some of the things they would ideally like to have, in order to achieve worthwhile changes in the health care system.

While all groups may recognize the need for compromise, including the need of their own organizations to accept things they would ideally prefer not to accept, different players in the debate are perceived to be more or less intractable. The perceptions of the nine different groups as to who will be the toughest barrier vary. However, amongst every group, except physician leaders, doctors are more likely to be thought of as a major barrier than any other interest group.

—Corporate executives see doctors, hospitals, and labor unions as the toughest barriers to be overcome.

—Federal legislators and key committee staff members see doctors and insurers as the biggest barriers.

—Federal regulators see the resistance to change of doctors and tax payers as being the biggest problem.

—Union leaders do not see employers as being a major hurdle, but rather doctors, hospitals, and insurers.

—Physician leaders think that tax-payers and labor unions will be the toughest barriers to change.

—Hospital CEOs see the resistance of doctors and labor unions as being the toughest problems.

—Major insurers see doctors, hospitals, and consumers as all being major barriers.

—State officials think that doctors and insurers are the two most intractable barriers to be overcome.

TABLE 9-12

Who Will Be the Three Toughest Barriers to Reform

Q.E4a—Which three of these stakeholders do you feel will present the toughest barrier to a successful reform of the health care system—doctors, hospitals, consumers, taxpayers, employers, insurers or labor unions.

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
Base:	2048	1175	260	25	15	50	201	251	21	50
Doctors	71	77	60	68	80	84	38	70	95	76
Hospitals	48	59	30	28	47	78	25	22	71	46
Consumers	20	17	19	16	33	16	28	29	57	16
Taxpayers	32	28	38	32	53	12	50	40	14	20
Employers	26	22	35	44	33	36	35	28	5	32
Insurers	40	33	58	52	27	62	47	42	5	54
Labor unions	48	51	34	48	27	4	53	62	48	24
None	*	*	1	—	—	—	2	—	—	2
Not sure/Refused	1	*	3	—	—	—	1	—	—	6

TABLE 9-13

Who Will Be the Toughest Barrier to Reform

Q.E4b—And which one do you think will present the toughest barrier?

	TOTAL SAMPLE	CORPORATE EXECUTIVES	FEDERAL LEGISLATORS	KEY COMMITTEE STAFF	FEDERAL REGULATORS	UNION LEADERS	PHYSICIAN LEADERS	HOSPITAL CEOs	MAJOR INSURERS	STATE OFFICIALS
	%	%	%	%	%	%	%	%	%	%
Base:	2048	1175	260	25	15	50	201	251	21	50
Doctors	35	39	31	12	53	48	9	38	62	32
Hospitals	8	12	2	8	7	2	5	1	5	10
Consumers	6	5	7	12	20	—	7	10	19	6
Taxpayers	12	11	12	4	13	2	27	14	—	10
Employers	6	4	10	4	—	14	12	5	—	8
Insurers	15	12	25	36	—	32	15	15	—	22
Labor unions	15	16	10	24	7	2	20	16	14	6
None	1	*	1	—	—	—	2	—	—	2
Not sure/Refused	1	1	3	—	—	—	1	*	—	4

Observation:

Although the issue was not addressed in this survey, it is widely believed that doctors, and organized medicine, have lost some of their clout over the last decade, with both government and third party payers being much more willing to take them on than they used to be. However, all of the other groups represented in this survey believe that doctors still have a lot of power.

The fact that so many of the people surveyed single out doctors as a major stumbling block to reform may also reflect fundamentally changed attitudes to health care politics. There was a time when it was thought to be wholly appropriate that almost all health care policy issues should be substantially determined by physicians. That is no longer the case. Further, it may be that doctors are perceived as having the most to lose, and therefore may be likely to put up the greatest resistance to change.

APPENDIX A: Methodology

Sample Design

The Survey of *Trade-Offs and Choices: Health Policy Options for the 1990s* was conducted by Louis Harris and Associates for Metropolitan Life Insurance Company from September to November 1990. A total of 2,048 telephone interviews were conducted with leaders of nine key stakeholder groups in the American health care system. The larger samples (i.e., corporate executives, federal legislators, and hospital CEOs) were systematic probability samples. The smaller samples were "near censuses" of the groups surveyed. The samples were:

—1,175 senior corporate executives, including executives from 200 companies with 10,000 or more employees, 200 with 1,000 to 9,999 employees, 250 with 100-999 employees, 250 with 26-99 employees, and 275 with 6-25 employees. A random sample of all private sector companies of each size was chosen. One respondent, either the CEO, president, chairman, or executive vice president of the selected corporation, was interviewed.

—260 federal legislators (senators and representatives) chosen to represent the geographic and party distribution of Congress. Either the House/Senate member or that legislator's top health aide was interviewed.

—25 key committee staff from the committees of the federal Senate and House of Representatives which deal directly with issues affecting health care policy and funding.

—15 senior executives from the federal Health Care Financing Administration and Health and Human Services agencies were chosen.

—50 union leaders from the 100 largest labor unions in the United States. One senior health executive from the chosen unions was interviewed.

—201 physician leaders chosen from all of the medical societies listed in the most recent directory of the American Association of Medical Society Executives.

—251 chief executive officers of hospitals with 50 beds or more, chosen to represent all eligible hospitals in the 1990 directory of the American Hospital Association.

—50 state representatives chosen from the universe of state health commissioners and staff members of state health committees. One individual per state was interviewed—25 from state executive branches, and 25 from state legislative branches.

—21 major health insurers from the nation's 25 largest health insurance companies. Either the chief executive officer or a senior executive designated by the CEO was interviewed.

Reliability of Survey Percentages

It is important to bear in mind that the results from any sample survey are subject to sampling variation. The magnitude of this variation is measurable and is affected both by the number of interviews involved and by the level of the percentages expressed in the results.

Table A-1 shows the possible sample variation that applies to percentage results for this survey. The chances are 95 in 100 that a survey result does not vary, plus or minus, by more than the indicated number of percentage points from the results that would have been obtained if interviews had been conducted with all persons in the universe represented by the sample.

For example, if the response for a sample size of 1,500 is 30%, then in 95 cases out of 100 the response in the total population would be between 28% and 32%. Note that survey results based on subgroups of small size can be subject to large sampling error.

TABLE A-1

Approximate Sampling Tolerances (at 95% Confidence) to Use in Evaluating Percentage Results Appearing in this Report

Number of People Asked Question on Which Survey Result is Based	Survey Percentage Result at 10% or 90%	Survey Percentage Result at 20% or 80%	Survey Percentage Result at 30% or 70%	Survey Percentage Result at 40% or 60%	Survey Percentage Result at 50%
2,000	1	2	2	2	2
1,500	2	2	2	3	3
1,000	2	2	3	3	3
900	2	3	3	3	3
800	2	3	3	3	3
700	2	3	3	4	4
600	2	3	4	4	4
500	3	4	4	4	4
400	3	4	4	5	5
300	3	5	5	6	6
200	4	6	6	7	7
100	6	8	9	10	10
50	8	11	13	14	14

Sampling tolerances are also involved in the comparison of results from different surveys or from different parts of a sample (subgroup analysis). Table A-2 shows the percentage difference that must be obtained before a difference can be considered statistically significant. These figures, too, represent the 95% confidence level.

For example, suppose one group of 1,000 has a response of 34% "yes" to a question, and an independent group of 500 has a response of 28% "yes" to the same question, for an observed difference of 6 percentage points. According to the table, this difference is subject to a potential sampling error of 5 percentage points. Since the observed difference is greater than the sampling error, the observed difference is significant.

These errors account for sampling error only. Survey research is also susceptible to other errors, such as in data handling and in interviewer recording. The procedures followed by Louis Harris and Associates, however, keep errors of these kinds to a minimum.

TABLE A-2

Approximate Sampling Tolerances (at 95% Confidence) to Use in Evaluating Differences Between Two Percentage Results Appearing in this Report

Approximate Sample Size of Two Groups Asked Question on Which Survey Result is Based	Survey Percentage Result at 10% or 90%	Survey Percentage Result at 20% or 80%	Survey Percentage Result at 30% or 70%	Survey Percentage Result at 40% or 60%	Survey Percentage Result at 50%
1,500 vs. 1,500	2	3	3	4	4
1,000	2	3	4	4	4
800	3	3	4	4	4
500	3	4	5	5	5
300	4	5	6	6	6
200	4	6	7	7	7
100	6	8	9	10	10
50	8	11	13	14	14
1,000 vs. 1,000	3	4	4	4	4
800	3	4	4	5	5
500	3	4	5	5	5
300	4	5	6	6	6
200	5	6	7	7	8
100	6	8	9	10	10
50	9	11	13	14	14
800 vs. 800	3	4	4	5	5
500	3	4	5	5	6
300	4	5	6	7	7
200	5	6	7	8	8
100	6	8	10	10	10
50	9	11	13	14	14
500 vs. 500	4	4	6	6	6
300	4	6	7	7	7
200	6	7	8	8	8
100	7	9	10	11	11
50	9	12	13	14	15
300 vs. 300	5	6	7	8	8
200	5	7	8	9	9
100	7	9	10	11	11
50	9	12	14	15	15
200 vs. 200	6	8	9	10	10
100	7	10	11	12	12
50	9	12	14	14	15
100 vs. 100	8	11	13	14	14
50	10	14	16	17	17
50 vs. 50	12	16	18	19	20

CATI System Used in Interviews

An example of these procedures is the Harris CATI system—computer assisted telephone interviewing—which was used for this survey. This system controls complicated skip patterns based on individual responses during the course of the interview, and it also allows consistency checks to be built in for key items. It furthermore reduces clerical error by eliminating the need for keypunching, since interviewers enter the respondents' answer directly into a computer terminal during the interview itself.

The replies to two questions (F1 and F2) are *not* shown in this report. The replies to these open-ended questions were very fragmented (i.e., only small minorities gave the same reply to either question) and almost all the replies addressed issues which are covered more specifically in other questions and tables.

APPENDIX B:
The Questionnaire

LOUIS HARRIS AND ASSOCIATES, INC.
630 Fifth Avenue
New York, New York 10111

Study No. 902026

August 20, 1990

/ FOR OFFICE USE ONLY:
/
/ Questionnaire No.: _____
/
/ _____ (1-5) _____

Card Number (6-7)
Sample Point No. /___/___/___/___/___/___/___/___/___/
3* 24 -25 -26 -27 -28 -29 -30 -31

Time Started: _____ A.M./P.M.

Interviewer: _____ Date: _____

Area Code: _____ Telephone No.: _____
3*((-11) 3*(12-18)

Respondent: _____
9*(10-45)

Title: _____
9*(46-80)

Company Name: _____
10*(10-45)

Address: _____
11*(10-45)

_____
11*(46-80)

City: _____ State: _____ Zip Code: _____
12*(10-55) 12*(56-57) 12*(58-67)

Hello, I'm _____ from Louis Harris and Associates, the national survey research firm in New York. **(FOR CLIENT CORPORATE ACCOUNTS, PHYSICIAN LEADERS AND MAJOR INSURERS ONLY: As you know from the letter you received)** We are conducting a survey of selected leaders about health care policy and the future of the U.S. health care system. Your responses will be kept anonymous and in strict confidence. The aggregated results of the survey will be published this winter. All those we interview will receive a copy of the published report.

INTERVIEWER: WHAT TYPE OF SAMPLE ARE YOU DOING?

1. Corporate ..... 1*(08(_____-1
2. Federal Legislators ..... _____-2
3. Key Committee Staff ..... _____-3
4. Federal Regulators ..... _____-4
5. Union Leaders ..... _____-5
6. Client Executives ..... _____-6
7. Physician Leaders ..... _____-7
8. Hospital CEOs ..... _____-8
9. Major Insurers ..... _____-9
10. State Representatives ..... (09(_____-0

A. Underlying Values and Assumptions

A1a. First, a very general question. Which of the following statements comes closest to expressing your overall view of this country's health care system? *SINGLE RECORD*

On the whole, the health care system works pretty well, and only minor changes are necessary to make it work better .....(11(____-1 (SKIP TO Q.A2)

–or–

There are some good things in our health care system, but fundamental changes are needed to make it work better ..... ____-2 (ASK Q.A1b)

–or–

The health care system has so much wrong with it that we need to completely rebuild it ..... ____-3 (ASK Q.A1b)

Not sure ..... ____-4 (SKIP TO Q.A2)

A1b. Do you think we should try to introduce change in an incremental way or do you think we should make changes comprehensively in a short period of time?

Step-by-step .....(12(____-1
Comprehensively ..... ____-2
Not sure ..... ____-3

ASK EVERYONE

A2. Do you think that, at some time in the future, everyone in this country, including the more than 31 million people without such coverage, *will* have some kind of health insurance, or will that not happen?

Will have .....(13(____-1
Will not have ..... ____-2
Not sure ..... ____-3

A3. Please say for each of the following statements if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly. (READ EACH STATEMENT)

ROTATE—START AT "X"	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly	Not Sure
( ) 1. Everyone should have health insurance, even if this means an increase in taxes .....(14(	____-1	____-2	____-3	____-4	____-5
( ) 2. If the government takes over management of the health care system, things will get better .....(15(	____-1	____-2	____-3	____-4	____-5
( ) 3. Major government initiatives will be necessary to solve the problems facing the health care system....(16(	____-1	____-2	____-3	____-4	____-5
( ) 4. A health care system of the future should continue to involve both the public and private sectors .....(17(	____-1	____-2	____-3	____-4	____-5
( ) 5. Most Americans would not be comfortable with any limits on their range of choice of doctors. .....(18(	____-1	____-2	____-3	____-4	____-5
( ) 6. Our health insurance system should continue to operate largely through employment-based plans....(19(	____-1	____-2	____-3	____-4	____-5

A4. At the moment, we spend approximately $600 billion, or 12% of GNP, on health care, and an estimated 31 million people have no health insurance. If the additional cost of insuring these 31 million people meant $50 billion less for spending on other goods or services—would you favor or oppose such additional coverage?

Favor ..... (20(____-1
Oppose ..... ____-2
It would depend (vol.) ..... ____-3
Not sure ..... ____-4

A5. Many analysts believe that attempts to contain health care costs have resulted in cost shifting from one third party payer to another rather than a reduction in overall costs. Should such practices be prohibited, *or* discouraged through incentives, *or* should they be left alone?

Should be prohibited ..... (21(____-1
Should be discouraged through incentives ..... ____-2
Should be left alone ..... ____-3
Not sure ..... ____-4

B. Priorities and Goals

B1a. Assume you are running the health care system and have finite resources to spend to improve the system. Which one of the following would you prefer to spend the largest amount of additional money on? (READ ALL THREE ITEMS)

B1b. And which would you spend the second largest amount on? (IF HESITANT READ ITEMS)

		Q.B1a	Q.B1b
a.	Making sure that everyone can afford access to physician services and health care	(22(____-1	(23(____-1
	-OR-		
b.	Making sure nobody suffers catastrophic financial loss because of the cost of health care	____-2	____-2
	-OR-		
c.	Improving the quality of health care services	____-3	____-3
d.	*None* of these (vol.)	____-4	____-4
e.	All equal (vol.)	____-5	____-5
f.	Not sure	____-6	____-6
			24-26Z

B2a. Assume you are running the health care system and have finite resources to spend to improve the system. Which one of the following would you spend the largest amount of money on?
(READ ALL THREE ITEMS)

B2b. And which would you spend the second largest amount on? (IF HESITANT READ ITEMS)

		Q.B2a	Q.B2b
a.	Providing long-term care insurance so that nursing home care is affordable . .	(27(_____-1	(28(_____-1
	–OR–		
b.	Making sure all children and adults can have access to important preventive medical services such as prenatal, baby and infant care, blood pressure tests, cholesterol tests, and the like	_____-2	_____-2
	–OR–		
c.	Making sure the United States remains at the cutting edge of new medical technology developments	_____-3	_____-3
d.	None of these (vol.)	_____-4	_____-4
e.	All equal (vol.)	_____-5	_____-5
f.	Not sure	_____-6	_____-6
		29-31Z	

C. Attitudes Toward Different Scenarios and Their Impact

C1. A number of plans have been proposed as ways to improve the health care system in this country. Which *one* of the following 3 systems *would you like the best?* (READ SLOWLY) (If necessary: I can read them again if you wish.) *SINGLE RECORD*

C2. Looking ahead 10 years to the year 2000, which one of these 3 systems do you think the United States is *most likely to have?* (READ SLOWLY) (If necessary: I can read them again if you wish.) *SINGLE RECORD*

	DO NOT ROTATE	Q.C1 Would Like The Best	Q.C2 Most Likely To Have
1.	*The present system*, based on private health insurance, mostly through employers, plus Medicare and Medicaid	(32(_____-1	(33(_____-1
2.	*The present system with two changes*: A law requiring employers to provide health insurance to all their employees, and the government to provide health insurance to everyone who is not employed	_____-2	_____-2
3.	*A comprehensive government health insurance program* covering all medical and hospital expenses, paid for by taxes. Under such a program, the government would control hospital costs, physician fees and other charges . . .	_____-3	_____-3
	None of these (vol.)	_____-4	_____-4
	Not sure	_____-5	_____-5

C3a. Suppose we adopted the third alternative—*a comprehensive government health insurance program covering all medical and hospital expenses paid for by taxes*. Do you think changing to this system would increase or decrease *total* health care *costs*?

Increase costs . . . . . (34(_____-1
Decrease costs. . . . . _____-2
Not sure . . . . . _____-3

C3b. And do you think this comprehensive government health insurance covering all medical and hospital expenses paid for by taxes would make the *quality* of health care services much better, somewhat better, somewhat worse or much worse?

Much better . . . . . (35(_____-1
Somewhat better. . . . . _____-2
Somewhat worse. . . . . _____-3
Much worse. . . . . _____-4
No difference (vol.). . . . . _____-5
Not sure . . . . . _____-6

C4a. Suppose we adopted the second alternative—a system in which *employers are mandated to provide health insurance for their employees and dependents and the government provides health insurance for everyone else*. Do you think changing to this system would increase or decrease *total* health care *costs*?

Increase costs . . . . . (36(_____-1
Decrease costs. . . . . _____-2
Not sure . . . . . _____-3

C4b. And do you think this system in which employers are mandated to provide health insurance for their employees and dependents and the government provides health insurance for everyone else would make the *quality* of care delivered much better, somewhat better, somewhat worse or much worse?

Much better . . . . . (37(_____-1
Somewhat better. . . . . _____-2
Somewhat worse. . . . . _____-3
Much worse. . . . . _____-4
No difference (vol.). . . . . _____-5
Not sure . . . . . _____-6

C5. *If* the government were to mandate that all employers must provide health insurance for employees and dependents, how acceptable would it be if this mandate covered only basic hospital and doctor services but not additional services such as prescription drugs or home health treatment. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable?

Totally acceptable. . . . . (38(_____-1
Somewhat acceptable . . . . . _____-2
Somewhat unacceptable . . . . . _____-3
Totally unacceptable. . . . . _____-4
Not sure . . . . . _____-5

C6. Because health insurers increasingly set their rates for small employers based on each employer's actual or expected claims experience, some small companies, particularly those with older employees or sicker dependents, can't afford health insurance. Do you think this problem will be solved by the private sector or do you think government involvement will be necessary?

Private sector will solve the problem	(39(____-1	(ASK Q.C7)
Government involvement will be necessary	____-2	(SKIP TO Q.C8)
Not sure	____-3	

C7. In solving the problem of affordable health insurance for some employers with high health risk employees, which would you prefer: some kind of pooling with employers who have lower health costs, in effect, privately subsidizing those with higher costs, *or* a direct government subsidized program for small employers who can't afford to buy private insurance?

Pooling of employers' costs	(40(____-1
Government subsidized programs	____-2
Neither (vol.)	____-3
Not sure	____-4

ASK EVERYONE

C8. Which do you think would be better (READ THE THREE CHOICES BELOW).

A system with *a variety of health plans*, with many different levels of benefits and costs	(41(____-1
–OR–	
A system with *a limited number* of plans, levels of benefits and costs	____-2
–OR–	
A system with *one plan* for everyone with the same benefits and costs	____-3
None of these (vol.)	____-4
Not sure	____-5

C9. Do you believe that in order to provide health insurance for everyone and control costs, it will be necessary to limit, or ration, the availability of expensive high-tech medical services, or not?

Yes, it will be necessary	(42(____-1	(ASK Q.C10)
No, it will not be necessary	____-2	(SKIP TO Q.D1)
Not sure	____-3	

C10. In your judgment, should the following factors influence decisions about when patients should get expensive high-tech medical services, or not? (READ EACH ITEM)

ROTATE—START AT "X"			Should	Should Not	Not Sure
( )	a.	The patient's age	(43(_____-1	_____-2	_____-3
( )	b.	Whether the treatment is likely to permit the patient to continue to be productive	(44(_____-1	_____-2	_____-3
( )	c.	How much the treatment is likely to improve the patient's quality of life	(45(_____-1	_____-2	_____-3
( )	d.	The cost of the treatment	(46(_____-1	_____-2	_____-3
( )	e.	How many years or months the treatment is likely to add to the patient's life	(47(_____-1	_____-2	_____-3
( )	f.	Whether the patient has private or government-paid health insurance	(48(_____-1	_____-2	_____-3

D. Willingness to Compromise and Accept Trade-Offs

ASK EVERYONE

D1. Common criticisms of the health care system focus on the high cost of health care, the number of uninsured people, and the uneven quality of care. To address the issues of *cost, access, quality* and *funding* successfully it may be necessary for the different interests involved to make compromises and to accept some things that are not what they would prefer. *First, let's consider trade-offs affecting individuals as both consumers and taxpayers.* Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus — totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable. (READ EACH ITEM)

ROTATE—START AT "X"			Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( )	a.	Paying higher income taxes	(49(_____-1	_____-2	_____-3	_____-4	_____-5
( )	b.	Paying income tax on health care premiums paid by employers	(50(_____-1	_____-2	_____-3	_____-4	_____-5
( )	c.	Paying higher taxes on cigarettes and liquor	(51(_____-1	_____-2	_____-3	_____-4	_____-5
( )	d.	Having to pay substantially more for your health insurance premiums	(52(_____-1	_____-2	_____-3	_____-4	_____-5
( )	e.	Having to wait several months for non-emergency elective surgery	(53(_____-1	_____-2	_____-3	_____-4	_____-5
( )	f.	Having to obtain care as a member of a managed care plan such as an HMO	(54(_____-1	_____-2	_____-3	_____-4	_____-5
( )	g.	Having to pay out-of-pocket a substantially higher proportion of the cost of the health services used	(55(_____-1	_____-2	_____-3	_____-4	_____-5
( )	h.	Having to pay higher insurance premiums if you or your spouse have unhealthy lifestyles such as smoking or excessive use of alcohol	(56(_____-1	_____-2	_____-3	_____-4	_____-5

D1. (Continued) Common criticisms of the health care system focus on the high cost of health care, the number of uninsured people, and the uneven quality of care. To address the issues of *cost, access, quality* and *funding* successfully it may be necessary for the different interests involved to make compromises and to accept some things that are not what they would prefer. *First, let's consider trade-offs affecting individuals as both consumers and taxpayers.* Please say for each of the following how acceptable it would be to you if it were part of a program where each group would make some concessions in order to reach a consensus—totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable. (READ EACH ITEM)

ROTATE—START AT "X"	Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( ) i. Being a member of a health plan which does not cover some expensive procedures and treatments. . . . (57(	____-1	____-2	____-3	____-4	____-5
( ) j. Being a member of a health plan that limits members to the most cost-effective providers and excludes those who are not cost-effective . . . . . (58(	____-1	____-2	____-3	____-4	____-5
( ) k. Having to obtain prior approval of a primary care doctor in order to see a specialist for non-emergency care. . . . . (59(	____-1	____-2	____-3	____-4	____-5
( ) l. Having to accept limits on the right to sue for medical malpractice. . . . . (60(	____-1	____-2	____-3	____-4	____-5

ASK Q.D2 HOSPITAL CEOs ONLY

D2. Next, let's consider trade-offs affecting *hospitals*. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions? Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable? (READ EACH ITEM)

ROTATE—START AT "X"	Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( ) a. Have tougher constraints on capital expenditures . . . (61(	____-1	____-2	____-3	____-4	____-5
( ) b. Have to operate within predetermined global budgets. . . . . (62(	____-1	____-2	____-3	____-4	____-5
( ) c. Lose tax-exempt status. . . . . (63(	____-1	____-2	____-3	____-4	____-5
( ) d. Lose the ability to float tax-free bonds . . . . . (64(	____-1	____-2	____-3	____-4	____-5
( ) e. Operate under a uniform one-payer system with prospective payment fees for all health plans, public and private. . . . . (65(	____-1	____-2	____-3	____-4	____-5
( ) f. Close more underused hospitals . . . . . (66(	____-1	____-2	____-3	____-4	____-5
( ) g. Lose the separate Medicare reimbursement for capital expenses. . . . . (67(	____-1	____-2	____-3	____-4	____-5
( ) h. Be required to accept and treat all patients even if reimbursement is below cost . . . . . (68(	____-1	____-2	____-3	____-4	____-5

SKIP TO Q.D16

ASK Q.D3 CORPORATE AND CLIENT EXECUTIVES ONLY

D3. Next, let's consider trade-offs affecting all *employers*. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

ROTATE—START AT "X"	Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( ) a. Be required by law to provide a basic health insurance benefit for all full-time employees and dependents ..... (69(	-1	-2	-3	-4	-5
( ) b. Be required by law to provide a basic health insurance benefit for all part-time employees who work at least 20 hours a week and for their dependents .. (70(	-1	-2	-3	-4	-5
( ) c. Pay health insurance premiums based on a community rate—rather than the experience of your own group ..... (71(	-1	-2	-3	-4	-5
( ) d. Pay a payroll tax to support the cost of insuring the unemployed and their dependents ..... (72(	-1	-2	-3	-4	-5
( ) e. If required to provide coverage, be limited by law to providing only a standard health plan which would be the same for every employer and every employee ..... (73(	-1	-2	-3	-4	-5
( ) f. Be required to provide health insurance benefits to retirees not eligible for Medicare..... (74(	-1	-2	-3	-4	-5

SKIP TO Q.D6

ASK Q.D4 UNION LEADERS ONLY

D4. Next, let's consider trade-offs affecting all *union members*. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions. Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable? (READ EACH ITEM)

ROTATE—START AT "X"	Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( ) a. Be limited by law to a standard health plan which would be the same for every employer and every employee ..... (75(	-1	-2	-3	-4	-5
( ) b. Be required to belong to managed care plans, such as HMOs or other health plans using limited panels of doctors, hospitals, and other providers..... (76(	-1	-2	-3	-4	-5
( ) c. Be required to pay higher deductibles and co-payments for health care ..... (77(	-1	-2	-3	-4	-5
( ) d. Accept a cap on employer-provided health care benefits that are tax-free to your members..... (78(	-1	-2	-3	-4	-5

SKIP TO Q.D9

ASK PHYSICIAN LEADERS ONLY

D5. Next, let's consider trade-offs affecting *doctors*. How acceptable would each of the following be to you, as part of a total plan in which everyone made some concessions? Would it be totally acceptable, somewhat acceptable, somewhat unacceptable or totally unacceptable?

ROTATE—START AT "X"			Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( )	a.	Have somewhat lower incomes for specialists.....(79(	____-1	____-2	____-3	____-4	____-5
( )	b.	Be compensated on a purely salaried basis.....(80(	____-1	____-2	____-3	____-4	____-5
( )	c.	Be compensated only on a capitated (fee per patient/member) basis .....2*(08(	____-1	____-2	____-3	____-4	____-5
( )	d.	Be compensated partly on some measure of patient satisfaction.....(09(	____-1	____-2	____-3	____-4	____-5
( )	e.	Be compensated on a fee-for-service basis—but entirely from a fixed budget with an expenditure cap.....(10(	____-1	____-2	____-3	____-4	____-5
( )	f.	Have a uniform national fee schedule for specific services for all health plans, public and private, with no balance billing.....(11(	____-1	____-2	____-3	____-4	____-5
( )	g.	Be required to generally follow practice guidelines on how to treat different conditions.....(12(	____-1	____-2	____-3	____-4	____-5
( )	h.	Be prohibited from ownership of a laboratory, pharmacy or rehabilitation center.....(13(	____-1	____-2	____-3	____-4	____-5
( )	i.	Be placed at financial risk for part of the cost of care doctors provide.....(14(	____-1	____-2	____-3	____-4	____-5
( )	j.	Require patients to obtain the prior approval of a primary care doctor in order to see specialists for non-emergency care.....(15(	____-1	____-2	____-3	____-4	____-5

SKIP TO Q.D14

ASK Q.D6 CORPORATE AND CLIENT EXECUTIVES ONLY

D6. If the only way to prevent the introduction of a national health insurance system was for employers to introduce much more aggressively managed care plans with less freedom of choice for employees and much higher cost-sharing, how willing would you be to introduce such a plan for all your employees—very willing, somewhat willing, not very willing, or not at all willing?

Very willing .....(16(____-1
Somewhat willing.....____-2
Not very willing .....____-3
Not at all willing .....____-4
Not sure .....____-5

D7. If, in a few years' time, it seems clear to you that private sector managed care plans are not sufficiently containing health care costs, how willing would you be to accept a government mandated and controlled national health insurance system—very willing, somewhat willing, not very willing, or not at all willing?

Very willing .....(17(____-1
Somewhat willing .....____-2
Not very willing .....____-3
Not at all willing .....____-4
Not sure .....____-5

D8. How willing would your company be to take a strike in order to win some changes in your health plan to contain costs —very willing, somewhat willing, not very willing, or not at all willing?

Very willing .....(18(____-1
Somewhat willing .....____-2
Not very willing .....____-3
Not at all willing .....____-4
Not applicable/non-union .....____-5
Not sure .....____-6

SKIP TO Q.E1

ASK Q.D9 UNION LEADERS ONLY

D9. Which is more important to your union, significant increases in wages *or* maintaining your full health benefits?

Significant wage increases .....(19(____-1
Maintaining full health benefits .....____-2
Not sure .....____-3

D10. Would you be willing to negotiate an increase in cost-sharing for your members through increased deductibles and co-payments if the employer agreed to a comparable pay increase?

Would negotiate .....(20(____-1
Would not negotiate .....____-2
Not sure .....____-3

D11. Would you be willing to negotiate a reduction in your members' wages if the employer maintained their full health benefits with no increase in cost-sharing?

Would negotiate .....(21(____-1
Would not negotiate .....____-2
Not sure .....____-3

D12. Would you be willing to strike in order to prevent changes in your health plan which would *substantially* reduce your health insurance benefits, or not?

Yes, would strike .....(22(____-1
No, would not strike .....____-2
Not sure .....____-3

D13. Would you be willing to enter into cooperative ventures with management to contain health care costs through tightly managed care if the savings would be used for (READ EACH ITEM)

DO NOT ROTATE

		Yes, Would Be Willing	No, Wouldn't Be Willing	Not Sure
a.	Wage increases .....(23(	____-1	____-2	____-3
b.	Improved competitiveness to save jobs .....(24(	____-1	____-2	____-3
c.	Shared equally between the two .....(25(	____-1	____-2	____-3

SKIP TO Q.E1

ASK Q.D14 PHYSICIAN LEADERS ONLY

D14. I will read you some things which might be part of a reform of the health care system, and which would benefit many doctors. Please say for each whether you would be willing to *accept a 10% reduction in your fees* [or net income] in return for this change.

ROTATE — START AT "X"	Q.D17a Would Accept 10% Reduction	Would Not Accept 10% Reduction	Not Sure
( ) a. Substantially increased physician autonomy, with less utilization review and less regulation .....(26(	-1	-2	-3
( ) b. A very substantial reduction in your paperwork .....(27(	-1	-2	-3
( ) c. Malpractice reform which puts limits on punitive damages and damages for pain and suffering .....(28(	-1	-2	-3

D15. How willing would you be to accept a national health insurance system if it guaranteed payment of your fees, substantially *reduced utilization review, malpractice insurance premiums* and your *paperwork*, but required you to negotiate with the government for any changes in your income and fees—very willing, somewhat willing, not very willing or not at all willing?

Very willing .....(29(-1
Somewhat willing ..... -2
Not very willing ..... -3
Not at all willing ..... -4
Not sure ..... -5

SKIP TO Q.E1

ASK Q.D16 HOSPITAL CEOS ONLY

D16. Please say for each of the following if you would accept it as part of the reform of the health care system if through regional planning you could realistically expect a *generally high level of occupancy* of your beds and more predictable reimbursement. (READ EACH ITEM)

DO NOT ROTATE	Would Accept	Would Not Accept	Not Sure
a. A significant reduction in the revenues per bed day .....(30(	-1	-2	-3
b. A significant reduction in the number of beds in the hospital .....(31(	-1	-2	-3
c. Stricter limits on capital spending on new capacity .....(32(	-1	-2	-3
d. Stricter limits on spending on expensive new technologies .....(33(	-1	-2	-3

D17. In general, do you feel it would be acceptable or unacceptable to reduce the total number of hospitals in areas with low occupancy rates if this resulted in a significant increase in occupancy for the remaining area hospitals?

Acceptable .....(34(-1
Unacceptable ..... -2
Not sure ..... -3

E. Roles and Responsibilities

ASK EVERYONE

E1. Which of the following do you think *should* play a major role in improving the health care system—(READ LIST)? *MULTIPLE RECORD*

1. Employers ..... (35(____-1
2. Federal government ..... ____-2
3. State governments ..... ____-3
4. Doctors' organizations ..... ____-4
5. Hospital industry ..... ____-5
6. Health insurance industry ..... ____-6
7. Someone else (SPECIFY)
   _____ ____-7
8. Nobody (vol.) ..... ____-8
9. Not sure ..... ____-9

E2. In the future, who do you think *should* have *the* principal responsibility for—(READ LIST)? (SINGLE RECORD)

a. Making sure that everyone has reasonable access to care

b. Health care cost containment

c. Assuring the quality of health care services

		Q.E2a Ensuring Access	Q.E2b Cost Containment	Q.E2c Assuring Quality
1.	Employers	(36(____-1	(37(____-1	(38(____-1
2.	Federal government	____-2	____-2	____-2
3.	State governments	____-3	____-3	____-3
4.	Doctors' organizations	____-4	____-4	____-4
5.	Hospital industry	____-5	____-5	____-5
6.	Health insurance industry	____-6	____-6	____-6
7.	Someone else (SPECIFY)	____-7	____-7	____-7
	_____	____		
8.	Nobody (vol.)	____-8	____-8	____-8
9.	Not sure	____-9	____-9	____-9

E3. Let's consider how willing each of the major stakeholders might be to make compromises in order to help achieve health care system reforms. First, how much do you think (READ EACH ITEM) *should* be willing to compromise: a great deal, somewhat, not much or not at all?

ROTATE—START AT "X"		A Great Deal	Some-what	Not Much	Not At All	Not Sure
( ) a.	Doctors	(39(____-1	____-2	____-3	____-4	____-5
( ) b.	Hospitals, trustees, owners and managers	(40(____-1	____-2	____-3	____-4	____-5
( ) c.	Consumers who use health care services	(41(____-1	____-2	____-3	____-4	____-5
( ) d.	Taxpayers who pay for government-funded health programs	(42(____-1	____-2	____-3	____-4	____-5
( ) e.	Employers	(43(____-1	____-2	____-3	____-4	____-5
( ) f.	Insurers	(44(____-1	____-2	____-3	____-4	____-5
( ) g.	Labor unions	(45(____-1	____-2	____-3	____-4	____-5

E4a. Which *three* of these stakeholders do you feel will present the toughest barrier to a successful reform of the health care system — doctors, hospitals, consumers, taxpayers, employers, insurers or labor unions? (IF NECESSARY READ LIST AGAIN) *CHECK THREE*

E4b. And which *one* do you think will present the toughest barrier?

	Q.E4a	Q.E4b
Doctors	(46(____-1	(47(____-1
Hospitals	____-2	____-2
Consumers	____-2	____-2
Taxpayers	____-2	____-2
Employers	____-2	____-2
Insurers	____-2	____-2
Labor unions	____-2	____-2
None (vol.)	____-2	____-2
Not sure	____-2	____-2

E5. Do you think the appropriate role for the federal government in the future of the health care system should be more as a *manager and administrator* of health insurance as it is for Medicare, or more as a *rulemaker* setting the rules for the private sector to manage and administer health care? (SINGLE RECORD)

Manager and administrator	(48(____-1
Rulemaker	____-2
Neither (vol.)	____-3
Not sure	____-4

F. Managing Change: Transition to "New System"

F1. As we make changes in the '90's, are there one or two things in particular in the health care system today which we must keep and not change?

Nothing.....4*(50(____-1

(SPECIFY)_____4*(51-52)

_____4*(53-54)

_____4*(55-56)

F2. Moving the stakeholders in the health care debate closer to consensus in order to improve the health care system will surely be challenging. Have you any thoughts about how this process of gaining consensus might be facilitated?

(SPECIFY)_____4*(57-58)
_____4*(59-60)
_____4*(61-62)

No ideas/suggestions.....4*(63(____-1
Not sure .....____ 2

FOR EVERYONE EXCEPT MAJOR INSURERS—MAJOR INSURERS SKIP TO Q.G1.

To reaffirm, all your answers are anonymous and strictly confidential.

For the record, the sponsor of this survey is the Metropolitan Life Insurance Company.

Through the survey, which will be publicly released, MetLife hopes to make a significant contribution to the database which will assist policymakers in focusing on the specific trade-offs and choices which stakeholders will need to make if effective changes are to be made to the health care system.

On MetLife's behalf we thank you for sharing your views with us. We will send you the final survey report when it becomes available this winter.

That concludes the interview.

Time Ended:_____AM/PM

ASK MAJOR INSURERS

G1. Is your company in the group health insurance business?

Yes, in group health .....(49(____-1 (ASK Q.G2)

No, not in group health ..... ____-2 (THANK AND

Not sure..... ____-3 TERMINATE)

INTERVIEWERS: IF CEO CAN NOT ANSWER THE FOLLOWING QUESTIONS ASK FOR A REFERRAL *ONLY* TO THE HEAD OF COMPANY'S GROUP HEALTH BUSINESS.

Original respondent can answer for group health .....(50(____-1 (SKIP TO Q.G2)

New respondent answering for group health ..... ____-2 (RECORD BELOW)

Cannot get referral/will not answer questions about group health ..... ____-3 (THANK AND TERMINATE)

New Respondent: _____ 5*(10-45)

Title: _____ 5*(46-80)

Company: _____ 6*(10-45)

Address: _____ 7*(10-45)

_____ 7*(46-80)

City: _____ 8*(10-55) State: _____ 8*(56-57) Zip Code: _____ 8*(58-67)

INTERVIEWER: IF APPLICABLE, RECORD FROM SAMPLE CARD

SIC CODE: /____/____/____/____/ 13*(08-11)

REVENUES: /____/____/____/ , /____/____/____/ , /____/____/____/ , /____/____/____/ (12 - 23)

PARTY AFFILIATION: Democrat .....(24(____-1
____-2

MEMBERSHIP: /____/____/____/____/____/____/ (25 - 31)

NUMBER of BEDS: /____/____/____/ (32 - 35)

G2. Next, let's consider trade-offs affecting *insurers*. How acceptable would each of the following be to you as part of a total plan in which everyone made some concessions? Would it be totally acceptable, somewhat acceptable, somewhat unacceptable, or totally unacceptable?

DO NOT ROTATE	Totally Acceptable	Somewhat Acceptable	Somewhat Un-Acceptable	Totally Un-Acceptable	Not Sure
( ) a. Accept somewhat lower long-range earnings on health insurance business ..... (51	-1	-2	-3	-4	-5
( ) b. Operate on some form of community rating for all health insurance risks in the small case market..... (52	-1	-2	-3	-4	-5
( ) c. Be required to participate in a reinsurance mechanism to spread excess health costs for small employers ..... (53	-1	-2	-3	-4	-5
( ) d. Be required to issue health insurance to all individuals requesting it regardless of health status if there is a reinsurance mechanism ..... (54	-1	-2	-3	-4	-5
( ) e. Be required to renew health insurance for all small groups regardless of claims experience if there is a reinsurance mechanism..... (55	-1	-2	-3	-4	-5
( ) f. Give up current underwriting practices (such as pre-existing conditions exclusions) for small groups if there is a reinsurance mechanism..... (56	-1	-2	-3	-4	-5
( ) g. Be subject to government rate regulation of group health insurance for small employers ..... (57	-1	-2	-3	-4	-5
( ) h. Be subject to federal regulation for health insurance.. (58	-1	-2	-3	-4	-5
( ) i. Function solely as an administrator of a federally sponsored health plan ..... (59	-1	-2	-3	-4	-5

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Time Ended: _____ AM/PM

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